

RHYOLITE RESOURCES LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO

THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 28, 2021

DATED MAY 21, 2021

RHYOLITE RESOURCES LTD.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MONDAY, JUNE 28, 2021**

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (the “**Common Shares**”) of Rhyolite Resources Ltd. (the “**Corporation**”) will be held at the offices of the Corporation, located at Suite 1703, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1 on Monday, June 28, 2021 at 9:30 a.m. (Vancouver time), for the following purposes:

1. to receive and consider the audited annual financial statements of the Corporation for the fiscal year ended December 31, 2020 together with the report of the auditors’ thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at four, subject to the provisions of the articles of the Corporation relating to subsequent appointments by the board of directors (“**Board**”);
3. to elect the Board of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed;
4. to appoint KPMG LLP, Chartered Professional Accountants, as auditors for the Corporation for the ensuing year and to authorize the Board of the Corporation to fix the auditors’ remuneration;
5. to consider, and if thought appropriate, to approve, with or without variation, an ordinary resolution, as more particularly set forth in the accompanying management information circular of the Corporation dated May 21, 2021 (the “**Circular**”), to approve and ratify the stock option plan of the Corporation;
6. to consider, and if thought appropriate, to approve, with or without variation, an ordinary resolution by the disinterested shareholders, as more particularly set forth in the accompanying Circular, to ratify the implementation of a restricted share unit plan;
7. to consider, and if thought appropriate, to approve, with or without variation, an ordinary resolution by the disinterested shareholders, as more particularly set forth in the accompanying Circular, to ratify the implementation of a deferred share unit plan; and
8. to consider and if thought advisable, to pass, with or without variation, a special resolution authorizing and approving an amendment to the Corporation's articles to effect a name change of the Corporation to "Suriname Gold Corp.", or such other name as the directors of the Corporation determine is appropriate (the "Name Change"); and
9. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The details of all matters proposed to be put before Shareholders at the Meeting are set forth in the Circular accompanying this Notice of Annual and Special Meeting. At the Meeting, Shareholders will be asked to approve each of the foregoing items.

Conduct of the Meeting due to the COVID-19 Pandemic

In light of ongoing concerns about the Coronavirus (COVID-19) pandemic, **the Corporation encourages Shareholders not to attend the meeting in person but via teleconference using the following dial-in numbers:**

DIAL-IN NUMBERS	CONFERENCE ID CODE
866.895.5510 (Toll Free North America)	2040335#
858.384.5500 (Outside of US and Canada)	

Since the COVID-19 pandemic is evolving, the Corporation will continue to monitor and review provincial and federal governmental guidance and may implement measures to reduce the risk of spreading the virus at the Meeting. The Corporation will provide updates in respect of the Meeting by way of news release available from SEDAR at www.sedar.com, where copies of such news releases, if any, will be posted under the Corporation's profile.

Only Shareholders of record as of the close of business on May 21, 2021 (the "**Record Date**") are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat. To the extent a Shareholder transfers the ownership of any Common Shares after the Record Date and the transferee of those Common Shares established ownership of such Common Shares and demands, not later than ten (10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

A registered Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment or adjournments thereof in person are requested to date, sign and return the accompanying instrument of proxy ("Instrument of Proxy") for use at the Meeting or any adjournment or adjournments thereof. To be effective, the Instrument of Proxy must be mailed so as to reach or be deposited with Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, in the Province of British Columbia) prior to the time set for the Meeting or any adjournment or adjournments thereof. Registered Shareholders may also use the internet (www.investorvote.com) to vote their Common Shares.

If you are a non-registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the form of proxy provided to you by such broker or other intermediary, in accordance with the instructions provided therein. Late forms of proxy may be accepted by the Chairman of the Board in his sole discretion and the Chairman is under no obligation to accept or reject any particular late form of proxy.

DATED this 21st day of May, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF
RHYOLITE RESOURCES LTD.**

(Signed) "Richard A. Graham"

**Richard A. Graham
President and Chief Executive Officer**

RHYOLITE RESOURCES LTD.

ANNUAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

JUNE 28, 2021

**TO BE HELD AT THE OFFICES OF RHYOLITE RESOURCES LTD.
SUITE 1703, 595 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA**

MANAGEMENT INFORMATION CIRCULAR

GENERAL INFORMATION RESPECTING THE MEETING

Solicitation of Proxies

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Rhyolite Resources Ltd. (the “**Corporation**”), to be used at the annual and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation, to be held on June 28, 2021, at the hour of 9:30 a.m. (Vancouver time) at the offices of the Corporation located at Suite 1703, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1 or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (the “**Notice of Meeting**”).

The board of directors of the Corporation (the “**Board**”) has fixed the close of business on May 21, 2021 as the record date (the “**Record Date**”), being the date for the determination of the registered holders of Common Shares entitled to receive notice of and vote at the Meeting, unless a Shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and demands that the transferee’s name be included on the list of Shareholders. Duly completed and executed proxies must be received by Computershare Trust Company of Canada (“**Computershare**”), Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, in the Province British Columbia) prior to the time set for the Meeting or any adjournment or adjournments thereof.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The enclosed instrument of proxy (the “**Instrument of Proxy**”) is solicited by the management of the Corporation. **The persons named in the enclosed Instrument of Proxy are directors and/or officers of the Corporation (the “management designees”). As a Shareholder submitting a proxy you have the right to appoint a person (who need not be a Shareholder) to represent you at the Meeting other than the person or persons designated in the Instrument of Proxy furnished by the Corporation. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Instrument of Proxy and strike out the other names or submit another appropriate proxy.** In order to be effective, the Instrument of Proxy must be mailed so as to be deposited at the office of the Corporation’s transfer agent, Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, in the Province of British Columbia) prior to the time set for the Meeting or any adjournment or adjournments thereof. Registered Shareholders may also use the internet at www.investorvote.com to transmit their voting instructions.

Unless otherwise stated, the information contained in this Information Circular is as of May 21, 2021.

Persons Making the Solicitation.

This solicitation is made on behalf of management of the Corporation. The Corporation will bear the costs incurred in the preparation and mailing of the Proxy Form, Notice of Meeting and this Information Circular. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by directors, officers and employees of the Corporation who will not be remunerated therefor.

In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. The Corporation intends to pay for the costs of an intermediary to deliver proxy-related materials and a voting instruction form to non-objecting beneficial owners of securities (“NOBO’s”).

The Corporation does not intend to pay for intermediaries to deliver proxy-related materials or Form 54-101F7-*Request for Voting Instructions* made by intermediaries to the objecting beneficial owners of Common Shares (“OBO’s”) and as such, OBO’s will not receive such materials unless their intermediary assumes the costs thereof (OBO’s and NOBO’s are herein collectively referred to as “Beneficial Shareholders.” See also “*Advice to Beneficial Shareholders*” in this Information Circular.

The Corporation will not be providing the Notice of Meeting, the Information Circular or the Instrument of Proxy to registered shareholders or Beneficial Shareholders through the use of notice and access as such term is defined in NI 54-101.

Advice to Beneficial Holders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Beneficial Shareholders are advised that only proxies from Shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record, unless specifically stated otherwise.

Revocability of Proxy

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or, if the registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Exercise of Discretion by Proxy

The persons named in the Instrument of Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Instrument of Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy Form, the persons named in the Instrument of Proxy will vote the Common Shares represented by the Instrument of Proxy for the approval of such matter.

At the time of printing of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Instrument of Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matters.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who choose to submit a proxy may do so by completing, dating and signing the enclosed Instrument of Proxy and returning it to the Corporation's transfer agent, Computershare, by fax at 1 (416) 263-9524 or 1 (866) 249-7775, or by mail or by hand to Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Ave., 8th Floor, Toronto, Ontario, M5J 2Y1. Registered Shareholders may also use the internet at www.investorvote.com to transmit their voting instructions.

The proxy must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by Board at its discretion without notice.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares (“**Preferred Shares**”). As at the date hereof, there are 86,543,766 Common Shares and no Preferred Shares. Each Common Share entitles the holder thereof to one (1) vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed as the close of business on the Record Date. All such holders of record of Common Shares are entitled either to attend and vote at the Meeting in person the Common Shares held by them or, provided a completed and executed proxy has been delivered to the Corporation’s transfer agent, Computershare, within the time specified in the attached Notice of Meeting, to attend and vote at the Meeting by proxy, the Common Shares held by them.

Registered holders of Common Shares of record as at the close of business on the Record Date are entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held except to the extent that: (i) such Shareholder transfers his, her or its shares after the close of business on the Record Date; and (ii) such transferee, at least ten (10) days prior to the Meeting, produces properly endorsed share certificates to the secretary or transfer agent of the Corporation or otherwise establishes his, her or its ownership of the Common Shares, in which case the transferee may vote those Common Shares at the Meeting.

The by-laws of the Corporation provide that the quorum for the transaction of business at any meeting of the Shareholders shall consist of at least two (2) persons present in person or by proxy, being shareholders entitled to vote thereat or a duly appointed proxy holder or representative for a shareholder so entitled and holding or representing by proxy not less than five percent (5%) percent of the outstanding Common Shares entitled to vote at such meeting.

To the knowledge of the Board and the executive officers of the Corporation based on publicly available records and previously provided information, as at the Record Date, no person, firm or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

MATTERS TO BE CONSIDERED AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

1. Financial Statements

The audited annual financial statements of the Corporation for the year ended December 31, 2020 and the auditors’ report thereon and management’s discussion and analysis thereto (the “**Financial Statements**”) will be tabled at the Meeting. A copy of the Financial Statements are available at the request of Shareholders. No formal action will be taken at the Meeting to approve the Financial Statements. If Shareholders have questions respecting the Financial Statements, the questions will be addressed during the “Other Business” portion of the Meeting.

2. Fixing the Number of Directors

At the Meeting, it will be proposed that four directors be elected to hold office for the next ensuing year, subject to the provisions of the articles of the Corporation relating to subsequent appointments by the Board. Management therefore intends to place before the Meeting, for approval, with or without modification, a resolution fixing the number of directors to be elected until the next annual meeting of Shareholders, subject to the articles of the Corporation relating to subsequent appointments by the Board, at four members.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the fixing of the number of directors is as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the Corporation that:

1. the number of directors to be elected at the Meeting for the ensuing year or otherwise as authorized by the Shareholders of the Corporation be and is hereby fixed at four; and
2. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy.

Unless otherwise directed, the management designees named in the accompanying Instrument of Proxy intend to vote such proxies in favour of a resolution fixing the number of directors to be elected at the Meeting at four.

3. Election of Directors

The Corporation currently has three directors, all of whom are being nominated for re-election. Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote for the election of the persons named in the following table to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Alberta) to which the Corporation is subject.

The following table sets out the names of the nominees for election as directors, the province and country in which each is ordinarily resident, all offices of the Corporation now held by each of them, their principal occupation, business or employment, the period of time for which each has been a director of the Corporation, and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by any proposed director, as at the date of this Circular.

<u>Name, Present Office, Province/State and Country of Residence⁽¹⁾</u>	<u>Director Since</u>	<u>Present Principal Occupation, Business or Employment⁽¹⁾</u>	<u>No. of Common Shares Beneficially Held or Controlled⁽¹⁾</u>
Richard A. Graham ⁽²⁾ Director, President and Chief Executive Officer British Columbia, Canada	April 6, 2006	Mr. Graham is currently the Manager of Corporate Development of Earlston Investments Corp, a private merchant bank. He is also the director and officer of several other public companies.	1,020,200
Michael G. Leskovec ⁽²⁾ Director Ontario, Canada	Dec. 14, 2020	Mr. Leskovec is the Chief Financial Officer of Northfield Capital Corporation, a TSX Venture Exchange listed investment holding, since May 2020.	200,000
Tony Chedraoui ⁽²⁾ Director Monaco	Dec. 14, 2020	Mr. Chedraoui is Founder, Chief Investment Officer and Chief Executive Officer of Tyrus Capital, an alternative asset manager, which he founded in 2009 with offices in Monaco and London.	11,830,000
Mario Kozma Monaco	Nominee	Mario is a Portfolio Manager at Tyrus Capital since 2015. Prior to that, he was Chief Investment Officer at Dubai-based Belhoul Investment Office and before that, Investment Manager at Waterloo-based Inter-IKEA Treasury. Mario has developed a 17-year track record in Private Equity spanning across sourcing, analysing, structuring and executing primary and secondary transactions. Prior to that, from 2001 to 2003, he worked as Investment Analyst in the Merchant Banking team at Lehman Brothers in London. Mario holds a bachelor degree in Civil and Environmental Engineering and a master degree in Business Administration from Ecole Superieure des Sciences Economiques et Commerciales (ESSEC) in Paris..	Nil

Notes:

- (1) The information as to residence, present principal occupation, business or employment, and the number of Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) Member of the Audit Committee.
- (3) Of which 3,830,000 are held by Pixma Holdings Limited, and 8,000,000 are held by Tyrus Capital Event Master Fund Limited, of which Mr. Chedraoui exercises control and direction.

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Corporation:

- a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any other issuer (including the Corporation) that:
 - (i) was subject to a cease trade order, or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade order, or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any issuer (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 was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) has, within the 10 years before the date hereof, 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 its assets.

Penalties or Sanctions

None of those persons who are proposed directors of the Corporation (or any personal holding companies) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to 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.

Personal Bankruptcies

No proposed director of the Corporation, or a personal holding company of any such person has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

4. **Appointment of Auditor**

KPMG LLP, Chartered Professional Accountants (“**KPMG**”) is the auditor of the Corporation and was appointed as the auditor of the Corporation on April 20, 2021. The management of the Corporation is recommending the appointment of KPMG as the auditors of the Corporation at a remuneration to be fixed by the Board and to hold such office until the next annual meeting of the Corporation. A notice of change of auditor, and confirmation letters from each of the former and successor auditors of the Corporation, are enclosed with this Circular as Exhibit “B” pursuant to the requirements of National Instrument 51-102.

The resolutions appointing KPMG as auditor of the Corporation must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy.

Unless otherwise directed, the management designees named in the enclosed Instrument of Proxy, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing KPMG as auditor for the Corporation for the next ensuing year.

5. **Re-Approval of Stock Option Plan**

The Corporation has a stock option plan (the “**Stock Option Plan**”) previously approved by the shareholders of the Corporation on December 14, 2020. A copy of the Stock Option Plan is attached as Exhibit “A” to the Corporation’s Management Information Circular dated September 16, 2016 and filed on SEDAR at www.sedar.com on September 26, 2016. The Stock Option Plan is incorporated herein by reference.

Pursuant to the policies of the TSX Venture Exchange (the “**Exchange**”), listed issuers are permitted to have “rolling” stock option plans reserving a maximum of 10% of the issued shares of the issuer at the time of the stock option grant. The Stock Option Plan is considered to be a “rolling” stock option plan and pursuant to the policies of the Exchange, the Stock Option Plan must be approved annually by the Shareholders. That approval is being sought at the Meeting and accordingly the Shareholders will be asked to consider and, if thought appropriate, approve an ordinary resolution reapproving, adopting and ratifying the Stock Option Plan as the Corporation’s stock option plan.

The Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers, employees and technical consultants to the Corporation, non-transferable options to purchase Common Shares (“**Options**”), provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. Such Options will be exercisable for a period of up to 10 years from the date of grant, pursuant to the policies of the Exchange. In connection with the foregoing, the number of Common Shares reserved for issuance to any one person in any twelve-month period will not exceed five percent (5%) of the issued and outstanding Common Shares unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements. In addition: (i) the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares; and (ii) the number of Common Shares reserved for issuance to persons providing investor relations activities will not exceed two percent (2%) of the issued and outstanding Common Shares. Options must be exercised by the legal representative of the optionee within a reasonable period following cessation of the optionee’s position with the Corporation, provided that if the cessation was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option.

The exercise price of the Options shall be determined by the Board, subject to applicable Exchange approval, at the time any Option is granted. In no event shall such exercise price be lower than the “Discounted Market Price” (as such term is defined in Exchange policies). Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting or that no vesting restriction shall exist.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Stock Option Plan is as follows:

“BE IT RESOLVED as an ordinary resolution of the Corporation that:

1. the stock option plan of the Corporation, in substantially the form as attached as Exhibit “A” to the management information circular as of the Corporation dated September 16, 2016 (the “**Stock Option Plan**”), and the Stock Option Plan be and is hereby ratified, approved and adopted as the stock option plan of the Corporation;
2. the form of the Stock Option Plan may be amended by the board of the directors, in its sole discretion, in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval from the shareholders of the Corporation;
3. all issued and outstanding stock options previously granted, be and are continued under the Stock Option Plan and are hereby ratified, confirmed and approved;
4. the shareholders of the Corporation hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
5. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy.

Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the Stock Option Plan for the ensuing year.

6. **Approval of Restricted Share Unit Plan**

The Corporation proposes to implement a restricted share unit plan (the “**RSU Plan**”) for officers, employees, consultants and directors. The RSU Plan provides for the issue of Shares to participants for the purpose of advancing the interests of the Corporation through the motivation, attraction, and retention of officers, employees, consultants, and directors of the Corporation and its affiliates and to secure for the Corporation and its shareholders the benefits inherent in the ownership of Common Shares by key officers, employees, consultants, and directors of the Corporation and its affiliates; it being recognized generally that restricted share plans aid in attracting, retaining, and encouraging employees due to the opportunity offered to them, to acquire a proprietary interest in the Corporation.

The following is a summary of the RSU Plan and is qualified in its entirety by reference to the full text of the RSU Plan which is attached hereto as Exhibit “C”.

The RSU Plan shall be administered by the Board or a committee of the Board (the “**Committee**”) and the Committee will have full authority to administer the RSU Plan including the authority to interpret and construe any provision of the RSU Plan and to adopt, amend and rescind such rules and regulations for administering the RSU Plan as the Committee may deem necessary in order to comply with the requirements of the RSU Plan.

Under the RSU Plan, eligible participants will be issued restricted share units (“**RSUs**”) from time to time that each represent the right to receive, subject to adjustments in certain circumstances, one Common Share in consideration for past performance upon expiry of an applicable restricted period. Each grant of RSUs will be reflected in a letter agreement that sets out the applicable restricted period (i.e. vesting period) for those RSUs, as determined by the Committee.

Participants who are residents of Canada for the purposes of the *Income Tax Act* (Canada) and not subject to the provisions of the *Internal Revenue Code* may elect to defer receipt all or any part of their RSUs until a deferred payment date if they elect to do so by written notice to the Corporation no later than 60 days prior to the expiry of the applicable restricted period.

Upon the termination or resignation of an eligible participant, RSUs of the participant that were subject to a restricted period would terminate without settlement for Common Shares, except as explicitly provided otherwise by the Committee. In the event of death or disability of a participant's RSUs will automatically vest.

The aggregate maximum number of Shares available for issuance from treasury under the RSU Plan, the DSU Plan (as defined below), the Stock Option Plan, and any other security-based compensation arrangements, in aggregate, shall not exceed 10% of the issued and outstanding Common Shares at any given time.

The maximum number of Common Shares issuable to insiders (as defined in the plan), at any time, pursuant to the RSU Plan and any other security-based compensation arrangements of the Corporation, is 10% of the total number of Shares then outstanding. The maximum number of Common Shares issued to insiders, within any one-year period, pursuant to the RSU Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Common Shares then outstanding.

So long as the Corporation is subject to the requirements of the Exchange, no RSU may be issued to anyone engaged to perform Investor Relations Activities (as defined in the RSU Plan) for the Corporation and in no event can an issuance of RSUs, when combined with any grants made pursuant to any other share based compensation plan, result in:

- (i) any one person in a 12 months period being granted such number of share based compensation awards equaling or exceeding 5% of the issued Common Shares, calculated on the date a security based compensation unit/option is granted to the person (unless the Issuer has obtained the requisite disinterested Shareholder approval); and
- (ii) any one Consultant in a 12 months period being granted such number of share based compensation awards equaling or exceeding 2% of the issued Shares, calculated at the date the security based compensation unit/option is granted to the Consultant.

In the event of (i) a change of control (as defined under the RSU Plan), and (ii) within 12 months of such change of control the participant is terminated or otherwise subject to a triggering event (as such term is defined under the RSU Plan), then all RSUs outstanding of such participant shall immediately vest on the date of such termination/resignation notwithstanding the restricted period.

In the event a cash dividend is paid to shareholders of the Corporation on the Common Shares while an RSU is outstanding, the Committee may, in its sole discretion, elect to credit each participant with additional RSUs.

The Board may from time to time in its discretion (without shareholder approval) amend, modify and change the provisions of the RSU Plan (including any grant letters), including, without limitation:

- (a) amendments of a house keeping nature; and
- (b) changes to the Restricted Period of any RSUs.

However, other than as set out above, any amendment, modification or change to the provisions of the RSU Plan which would:

- (a) increase the number of Common Shares or maximum percentage of Shares which may be issued pursuant to the plan, except for certain exceptions;
- (b) reduce the range of amendments requiring shareholder approval contemplated in the plan;
- (c) permit RSUs to be transferred other than for normal estate settlement purposes;
- (d) change insider participation limits which would result in shareholder approval being required on a disinterested basis;
- (e) materially modify the eligibility requirements for participation in the plan; or
- (f) modify section 2.06 on the RSU Plan,

shall only be effective on such amendment, modification or change being approved by the shareholders of the Corporation. In addition, any such amendment, modification or change of any provision of the Plan shall be subject to the approval, if required, by any stock exchange having jurisdiction over the securities of the Corporation.

Pursuant to the requirements of the Exchange, the resolution approving the RSU Plan (the “**RSU Resolution**”) requires the approval of the majority of the votes cast by disinterested Shareholders at the Meeting. An “interested shareholder” for these purposes means an insider who may receive RSUs or an associate thereof.

At the Meeting, disinterested Shareholders will be asked to approve the RSU Resolution substantially in the form below:

“RESOLVED, that:

1. Subject to regulatory approval, the restricted share unit plan (the “**RSU Plan**”) of Rhyolite Resources Ltd. (the “**Corporation**”), as described in the management information circular of the Corporation dated May 21, 2021, be and is hereby approved and adopted, subject to any amendments as may be required by the TSX Venture Exchange (the “**Exchange**”);
2. The Corporation is hereby authorized to grant and settle RSUs under the RSU Plan in accordance with the terms and conditions of the RSU Plan; and
3. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things, and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances, as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the RSU Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the RSU Plan.”

The form of the RSU Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the RSU Resolution.

Management of the Corporation recommends that Shareholders vote FOR the RSU Resolution at the Meeting. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the RSU Resolution.

7. **Approval of Deferred Share Unit Plan**

The Corporation proposes to implement a deferred share unit plan (the “**DSU Plan**”) for non-employee directors. The purpose of the DSU Plan is to strengthen the alignment of interests between non-employee directors (“**Eligible Directors**”) and the Corporation’s shareholders by linking a portion or all of annual director compensation to the future value of the Corporation’s Shares. In addition, the DSU Plan is intended to advance the interests of the Corporation through the motivation, attraction and retention of directors of the Corporation, it being generally recognized that deferred share unit plans aid in attracting, retaining and encouraging director commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Shares.

The following is a summary of the DSU Plan and is qualified in its entirety by reference to the full text of the DSU Plan which is attached hereto as Schedule “B”.

The DSU Plan will be administered by the Board or a committee of the Board (the “**Committee**”) and the Committee will have full discretionary authority to administer the DSU Plan including the authority to interpret and construe any provision of the DSU Plan and to adopt, amend and rescind such rules and regulations for administering the DSU Plan as the Committee may deem necessary in order to comply with the requirements of the DSU Plan.

Deferred share units (“**DSUs**”) may be granted by the Corporation to Eligible Directors in lieu of a portion of the annual compensation payable to the Eligible Director in a fiscal quarter, excluding amounts received by the Eligible Director as reimbursement for expenses incurred in attending meetings of the Board (the “**Director’s Remuneration**”). Eligible Directors to which DSUs have been issued are referred to herein as “**DSU Participants**”.

The Committee will grant and issue to each Eligible Director on each issue date, as determined by the Committee (a “**DSU Issue Date**”), the aggregate of:

- (a) that number of DSUs having a value (such value being the “**Mandatory Entitlement**”) equal to the percentage or portion of the Director’s Remuneration payable to such Eligible Director for the current year as determined by the Board at the time of determination of the Director’s Remuneration; and
- (b) that number of DSUs having a value (such value being the “**Elective Entitlement**”) equal to the percentage or portion of the Director’s Remuneration which is not payable to such Eligible Director for the current year pursuant to paragraph (a) as determined by the Eligible Director.

The aggregate number of DSUs under paragraphs (a) and (b) will be calculated based on the sum of an Eligible Director’s Mandatory Entitlement and Elective Entitlement (collectively, the “**Entitlement**”) and the number of DSUs to be granted to an Eligible Director will be determined by dividing the Entitlement by the Market Value (as such term is defined in the DSU Plan) on the business day immediately preceding the DSU Issue Date.

Each vested DSU held by a DSU Participant who ceases to be an Eligible Director will be redeemed by the Corporation on the relevant date the DSU Participant ceases to be an Eligible Director (the “**Separation Date**”) for, subject to adjustments in certain events, the issuance of one Common Share for each DSU, or a cash payment by the Corporation equal to the Market Value (as defined in the DSU Plan) of a Common Share on the Separation Date in the sole discretion of the Corporation, to be made to the DSU Participant on such date as the Corporation determines not later than 60 days after the Separation Date.

An Eligible Director will have the right to elect in each calendar year the manner in which the Eligible Director wishes to receive the Director’s Remuneration (i.e. the Elective Entitlement), other than the portion fixed by the Board (i.e. the Mandatory Entitlement) in accordance with paragraph (a) (whether in cash, DSUs or a combination thereof). The Board may, from time to time, set such limits on the manner in which DSU Participants may receive their Director’s Remuneration and every election made by a DSU Participant is subject to such limits once they are set.

The aggregate maximum number of Shares available for issuance from treasury under the RSU Plan, the DSU Plan, the Stock Option Plan, and any other security-based compensation arrangements, in aggregate, shall not exceed 10% of the issued and outstanding Common Shares at any given time.

The maximum number of Shares issuable to insiders, at any time, under the Deferred Share Unit Plan, together with any other share compensation arrangements of the Corporation, shall be 10% of the outstanding issue. The maximum number Shares issued to insiders under the DSU Plan, together with other share compensation arrangements, within any one-year period will be 10% of the outstanding issue as calculated at the time of the grant.

The number of DSUs which may be granted to any one DSU Participant, together with grants under any other share-based compensation arrangements of the Corporation, within any one-year period may not exceed 5% of the outstanding Common Shares at the time of the grant.

In the event that a dividend (other than stock dividend) is declared and paid by the Corporation on its Common Shares, a DSU Participant will be credited with additional DSUs in accordance with the DSU Plan.

The Board may, from time to time, in its discretion (without shareholder approval) amend, modify and change the provisions of the DSU Plan, except however that, any amendment, modification or change to the provisions of the DSU Plan which would:

- (a) increase the number of Shares or maximum percentage of Shares, which may be issued pursuant to the DSU Plan, subject to certain exceptions;
- (b) reduce the range of amendments requiring shareholder approval contemplated in the DSU Plan;
- (c) permit DSUs to be transferred other than for normal estate settlement purposes;
- (d) change insider participation limits which would result in shareholder approval to be required on a disinterested basis; or
- (e) materially modify the requirements as to eligibility for participation in the DSU Plan,

will only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation. In addition, any such amendment, modification or change of any provision of the DSU Plan will be subject to the approval, if required, by any regulatory authority having jurisdiction over the securities of the Corporation.

Pursuant to the requirements of the Exchange, the resolution approving the DSU Plan (the “**DSU Resolution**”) requires the approval of the majority of the votes cast by disinterested Shareholders at the Meeting. An “interested shareholder” for these purposes means an insider who may receive DSUs or an associate thereof.

At the Meeting, disinterested Shareholders will be asked to approve the DSU Resolution substantially in the form below:

“RESOLVED, that:

1. subject to regulatory approval, the restricted share unit plan (the “**DSU Plan**”) of Rhyolite Resources Ltd. (the “**Corporation**”), as described in the management information circular of the Corporation dated May 21, 2021, be and is hereby approved and adopted, subject to any amendments as may be required by the TSX Venture Exchange (the “**Exchange**”);
2. the Corporation is hereby authorized to grant and settle DSUs under the DSU Plan in accordance with the terms and conditions of the DSU Plan; and
3. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things, and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances, as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the DSU Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the DSU Plan.”

The form of the DSU Resolution set forth above is subject to such amendments as Management may propose at the Meeting, but which do not materially affect the substance of the DSU Resolution.

Management of the Corporation recommends that Shareholders vote FOR the DSU Resolution at the Meeting. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the DSU Resolution.

8. **Name Change**

At the Meeting, the shareholders of the Corporation will be asked to consider and, if thought appropriate, to authorize and approve a special resolution in the form set out below, approving the Name Change (the “**Name Change Resolution**”). The Board has determined that a corporate name change is necessary to more accurately reflect the operations of the Corporation.

Notwithstanding the approval of the shareholders, the Board may, in its discretion and without further shareholder action or approval, revoke the Name Change Resolution. The following is the text of the Name Change Resolution which will be put forward at the Meeting for approval by the shareholders of the Corporation:

“**BE IT RESOLVED** as a special resolution that:

1. the articles of incorporation (the “**Articles**”) of the Corporation be amended to provide that the name of the Corporation be changed to “Suriname Gold Corp.” or such other name as the directors of the Corporation determine is appropriate;
2. notwithstanding the passage of this special resolution, the directors of the Corporation be and are hereby authorized and empowered to revoke this special resolution at any time prior to the filing of such articles of amendment to effect the name change (the “**Articles of Amendment**”) without further approval of the shareholders of the Corporation;

3. any director or officer of the Corporation be, and such director or officer of the Corporation hereby is, authorized, instructed and empowered, acting for, in the name of and on behalf of the Corporation, to do or to cause to be done all such other acts and things in the opinion of such director or officer of the Corporation as may be necessary or desirable in order to fulfill the intent of this special resolution; and
4. upon the Articles of Amendment becoming effective in accordance with the provisions of the *Business Corporations Act* (Alberta), the Articles shall be amended accordingly.”

In order to be passed, the foregoing resolution must be approved by not less than 66⅔% of the votes cast by Shareholders who vote in person or by proxy at the Meeting.

Unless the shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the Name Change Resolution, the persons named in the enclosed form of proxy will vote FOR the Name Change Resolution.

9. Other Matters

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Information Circular. If any other matter properly comes before the Meeting the Instrument of Proxy furnished to the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy provided, however, that the persons voting the proxy shall not be permitted to vote for the election of directors where a proposed nominee does not stand for election or is unable to serve as such, or any other matters prohibited by applicable law.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

1. Compensation Discussion and Analysis

Name Executive Officers

The following discussion describes the elements of the Corporation’s executive compensation program, with particular emphasis on the process for determining compensation payable to the President and Chief Executive Officer and the Chief Financial Officer of the Corporation. The Corporation does not have any other executive officers that receive compensation.

In this Circular, “**Named Executive Officer**” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year;

As of the year ended December 31, 2020, the Named Executive Officers of the Corporation were Richard A. Graham, the President and Chief Executive Officer, John Downes, Chief Financial Officer of the Corporation until November 16, 2020 and Cybill Tsung, Chief Financial Officer from November 16, 2020. Mr. Graham and Mr. Downes have not received any salary, share-based awards, non-equity incentive plan compensation, pension value or other compensation other than option-based awards. Ms. Tsung received \$25,000 from November 16, 2020 until December 31, 2020. Mr. Graham is also a director of the Corporation. Other than as disclosed below, Mr. Graham has not received any compensation in his capacity as a director of the Corporation.

Overview and Objectives of Compensation Program

Objectives of Compensation Program

The Board recognizes that the Corporation's performance depends on the quality of its directors and executives. To achieve its operating and financial objectives, the Corporation must attract, motivate, and retain highly skilled directors and executives who are able and capable of managing the Corporation's operations and carrying out the objectives of the Corporation. The Board further recognizes that there must be a link between compensation and business strategy and that remuneration at the Corporation should be comparable with that offered by companies of comparable size operating in the mineral exploration and development industry in order to ensure that the Corporation can retain its executives and promote a culture aimed at achieving its business objectives.

Compensation Philosophy and Goals

The Board has the responsibility of overseeing the Corporation's compensation program, including approval of material amendments to or the adoption of new equity-based compensation plans.

The Board makes decisions concerning the nature and scope of the compensation to be paid to the Corporation's executive officers based on the Corporation's compensation philosophy and the Board's assessment of corporate and individual performance, recruiting and retention needs. In the normal course, the Corporation's total compensation package is comprised of three principal elements: salary, bonus, and equity incentives.

The Corporation has not yet developed a formal executive compensation program; however, in implementing its compensation philosophy the Board is mindful that:

- compensation should be guided by a pay for performance philosophy;
- compensation should be market-competitive to attract and retain the leadership talent required to drive business results; and
- compensation should motivate high performers to achieve exceptional levels of performance through rewards tied to performance.

Role of Executive Officers in Compensation Decisions

With respect to the grant of Options, the Chief Executive Officer recommends to the Board the individual equity incentive awards for each executive officer and director. The Board then takes these recommendations into consideration when making final decisions on compensation for those executive officers. The Board does not use formulas for each grant, but is restricted by the policies of the Exchange and the Stock Option Plan in how many Options it may grant. Options under the Stock Option Plan are awarded based upon the level of responsibility and contribution of the individuals towards the Corporation's goals and objectives. See "*Particulars of Matters to be Acted Upon - Approval of Stock Option Plan*" for a detailed description of the Stock Option Plan. Previous grants of Options to a particular individual will be taken into account when considering future grants of Options to that particular individual.

Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans

The Corporation currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officers (as defined below) or directors of the Corporation.

Termination and Change of Control Benefits

Under an employment agreement dated November 16, 2020 between the Corporation and Cybill Tsung (the “**Employment Agreement**”), the Corporation employs Ms. Tsung as Chief Financial Officer (“Executive”) at an annual salary of \$200,000 (“**Base Salary**”).

If at any time during the term of Employment Agreement there is a change of control, and within twelve (12) months of such change of control:

- (a) the Corporation gives notice of its intention to terminate the employment of Ms. Tsung for any reason other than just cause, or
- (b) a Triggering Event occurs and Ms. Tsung elects to terminate her employment, Ms. Tsung shall be entitled forthwith to receive from the Corporation:
 - (i) a lump sum payment equal to twenty-four (24) months’ Base Salary (less applicable statutory deductions); and
 - (ii) a lump sum payment equal to twice the annual discretionary bonus target.

All options granted to Ms. Tsung, if any, shall vest on announcement of the transaction constituting a Change of Control. Ms. Tsung shall have the benefit of this accelerated vesting provision notwithstanding any term or condition to the contrary that is contained in the Plan or in the applicable grant of options.

- (c) Upon termination of employment following a Change of Control, Ms. Tsung shall continue to be entitled to participate, at the expense of the Corporation, in the Corporation’s health and medical plans for its executive personnel, if any, until the earlier of the Executive obtaining alternate coverage under the terms of any new employment, or (24) months following the Termination Date. If such participation is not permitted under the terms of any such plan, the Corporation shall pay to the Executive the premiums it otherwise would have paid to provide such coverage.

Risks of Compensation Policies and Practices

The Corporation’s compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board noted the following facts that discourage the Corporation’s executives from taking unnecessary or excessive risk:

- the Corporation’s business strategy and related compensation philosophy; and
- the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

Based on this review, the Board believes that the Corporation’s total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Financial Instruments

The Corporation has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including 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 securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Share-Based and Non-Equity Incentive Plan Compensation

The Corporation has not granted any share-based awards, nor has it provided any awards pursuant to a non-equity incentive plan at any time within the past three years nor or any such awards outstanding.

Compensation Governance

For a discussion on policies and practices by the Board to determine the compensation of the Corporation’s directors and executive officers, see “*Statement of Executive Compensation – Overview and Objectives of Compensation Program*”.

Compensation of Consultants or Advisors

During the financial years ended December 31, 2020, the Board did not retain an independent compensation consultant or advisor to assist in determining the compensation for the Corporation’s directors and executive officers.

2. Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth the information required under *Form 51-102F6V-Statement of Executive Compensation-Venture Issuers of Regulation 51-102 respecting Continuous Disclosure Obligations (“Form 51-102F6V”)*, regarding all compensation paid, payable, granted or otherwise provided during the two most recently completed financial years of the Corporation, to all persons acting as directors or as Named Executive Officers, as this expression is defined in Form 51-102F6V.

The following table sets forth all annual and long-term compensation for services paid to or earned by the Named Executive Officers and the directors for the two fiscal years ended June 30, 2020 and December 31, 2020:

TABLE OF COMPENSATION, EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Richard Graham President, CEO and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
John Downes⁽²⁾⁽³⁾ CFO	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Cybill Tsung⁽³⁾ CFO	2020	25,000	Nil	Nil	Nil	Nil	25,000
	2019	-	-	-	-	-	-
Demetrius Pohl⁽⁴⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Mike Basha⁽⁴⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Michael Leskovec⁽⁵⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Tony Chadraoui⁽⁵⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) On November 23, 2020, the Corporation changed its year end from June 30 to December 31.
- (2) Fees of \$31,000 were paid to Earlston Management Corp., a private management company, pursuant to a consulting agreement whereby Earlston Management Corp. provides various administrative and related corporate services to the Corporation, including the services of John Downes as the Chief Financial Officer of the Corporation.
- (3) Mr. Downes resigned as CFO on November 16, 2020 and Ms. Tsung was appointed as CFO on November 16, 2020.
- (4) Messrs. Pohl and Basha ceased as directors on December 14, 2020.
- (5) Messrs. Leskovec and Chadraoui were elected to the Board on December 14, 2020.

Narrative Discussion

During the financial year ended December 31, 2020, under an employment agreement dated November 16, 2020 between the Corporation and Cybill Tsung (the “Employment Agreement”), the Corporation employs Ms. Tsung as Chief Financial Officer (“Executive”) at an annual salary of \$200,000 (“Base Salary”). The Employment Agreement provides that the Executive is eligible to receive an annual discretionary bonus of up to 50% of Base Salary which the Board may award, in its sole discretion, in whole or in part, applying such personal and corporate performance measures as it considers appropriate including, but limited to the Corporation’s overall operational and financial performance. The Executive’s entitlement to any amount of any discretionary bonus is not guaranteed and payment of a bonus, whole or in part, in one year does not guarantee payment of a bonus, whole or in part, in subsequent years.

John Downes does not have a written or verbal contract with the Corporation and he is remunerated by Earlston Management Corp. See “*Management Contracts*”.

Except as set out above, the Corporation has no contract, agreement, plan or arrangement with the Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO’s responsibilities where, in respect of the NEOs, the value of such compensation exceeds \$50,000.

Stock Options and Other Compensation Securities

Compensation securities were granted or issued to the Named Executive Officers and directors by the Corporation in the financial year ended December 31, 2020 for services provided or to be provided, directly or indirectly, to the Corporation, as disclosed in the following table:

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Richard Graham President, CEO and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
John Downes⁽¹⁾ CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Cybill Tsung⁽¹⁾ CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Demetrius Pohl⁽²⁾ Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael Basha⁽²⁾ Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael Leskovec⁽³⁾ Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Tony Chedraoui⁽³⁾ Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Downes resigned as CFO on November 16, 2020 and Ms. Tsung was appointed as CFO on November 16, 2020.
- (2) Messrs. Pohl and Basha ceased as directors on December 14, 2020.
- (3) Messrs. Leskovec and Chedraoui were elected to the Board on December 14, 2020.

Compensation securities were exercised by NEOs and directors during the financial year ended December 31, 2020, as disclosed in the following table:

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOS							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Richard Graham President, CEO and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
John Downes⁽¹⁾ CFO	Stock Option	50,000	\$0.15	Nov. 23, 2020	\$0.82	\$33,500	\$41,000
Cybill Tsung⁽¹⁾ CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Demetrius Pohl⁽²⁾ Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael Basha⁽²⁾ Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael Leskovec⁽³⁾ Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Tony Chedraoui⁽³⁾ Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Downes resigned as CFO on November 16, 2020 and Ms. Tsung was appointed as CFO on November 16, 2020.
- (2) Messrs. Pohl and Basha ceased as directors on December 14, 2020.
- (3) Messrs. Leskovec and Chedraoui were elected to the Board on December 14, 2020.

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

Under the terms of the Stock Option Plan, any options will terminate 90 days after the optionee ceases to be a director, senior officer, employee or consultant of the Corporation or a subsidiary (except for persons providing investor relations services which terminate 30 days after cessation), except by reason of the death of the optionee, in which case the optionee's personal representative may exercise the options by the earlier of one year following the date of death or the expiry date of the stock option. See "**Stock Option Plan**" below.

Pension Plan Benefits

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments

Narrative Discussion

During the financial year ended December 31, 2020, the Corporation paid aggregate fees of \$31,000 to Earlston Management Corp., a private management company, pursuant to a consulting agreement whereby Earlston Management Corp. provides various administrative and related corporate services to the Corporation, including the services of John Downes as the Chief Financial Officer of the Corporation until November 16, 2020.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that were authorized for issuance under equity compensation plans as at the end of the Corporation's financial year ended December 31, 2020.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans⁽¹⁾
Equity compensation plans approved by securityholders	350,000	\$0.15	7,919,377
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	350,000	\$0.15	7,919,377

Note:

⁽¹⁾ The aggregate number of Common Shares that may be reserved for issuance under the Stock Option Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or proposed director of the Corporation or any associate of the foregoing is, or at any time since the beginning of the Corporation's most recently completed financial year has been, indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, the Corporation is not aware of any material transaction involving any informed person of the Corporation, any proposed director of the Corporation or any associate or affiliate of any of informed person or proposed director.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations, and situations may arise where such directors and officers will be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

For the purposes of the above, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

CORPORATE SERVICES AGREEMENT

No management functions of the Corporation are, to any substantial degree, performed by a person or company other than the directors or senior officers of the Corporation.

The Corporation has entered into a corporate services agreement dated effective September 1, 2006 (the “**Corporate Services Agreement**”) with Earlston Management Corp. (formerly Ionic Management Corp.) (“**Earlston Management**”), whereby Earlston Management provides to the Corporation various administrative and related corporate services, including the services of John Downes and will be in force for two years from the date thereof, with automatic renewal on an annual basis, unless notice is given by either party prior to sixty days of the annual anniversary date of the Corporate Services Agreement, and is subject to earlier termination in certain circumstances, which include: (i) written notice to the other party of termination if the other party (the “**Defaulting Party**”) is in default of any covenant, condition or requirement under the Corporate Services Agreement and the Defaulting Party has not remedied such default within ten business days of receipt of notice of such default; (ii) by written notice to the other party if the other party becomes insolvent, is unable to discharge its obligations as they become due, makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed against it; or (iii) by two months’ written notice to the other party.

Under the terms of the Corporate Services Agreement, the Corporation paid to Earlston Management, a fee of \$4,000 per month until October 31, 2020 and effective November 1, 2020, the fee was increased to \$7,500 per month, which totalled an aggregate of \$31,000 for the financial year ended December 31, 2020. The Corporate Services Agreement provides a mechanism for Earlston Management to change its fee in the event that services required by the Corporation differ than those provided for currently under the Corporate Services Agreement. Pursuant to the Corporate Services Agreement, Earlston Management is reimbursed for all reasonable expenses incurred in the performance of its services. John Downes, Chief Financial Officer of the Corporation until November 16, 2020, is also Chief Financial Officer of Earlston Management.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), sets out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation and the guidelines of the Exchange for effective corporate governance, including National Policy 58-201 – *Corporate Governance Guidelines*. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

Board of Directors

The Board is currently made up of three members, of which the Board considers both Michael Leskovec and Tony Chedraoui independent as such term is defined by NI 58-101. The Board considers that Richard A. Graham is not independent as he is the President and Chief Executive Officer of the Corporation. The Board approves all significant decisions that affect the Corporation before they are implemented, and the Board supervises their implementation and reviews the results.

The Board is actively involved in the Corporation’s strategic planning process. The Board discusses and reviews all materials relating to strategic and operating plans with management. The Board is responsible for reviewing and approving strategic and operating plans and budgets. Management must seek the Board’s approval for any transaction that would have a significant impact on the strategic plan.

The Board is also responsible for selecting the President and appointing senior management and for monitoring their performance. The Board delegates to management responsibility for, among other things, meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business, evaluating new business opportunities and complying with applicable regulatory requirements.

The Board periodically reviews the Corporation's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems. The Board also monitors the Corporation's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution.

Other Public Company Directorships

The following members of the Board, and proposed nominees to the Board, currently hold directorships in other reporting issuers as set forth below:

<u>Name of Director</u>	<u>Name of Reporting Issuer</u>	<u>Exchange</u>
Michael Leskovec	Millennial Precious Metals Corp.	TSXV
	Hemlo Explorers Inc.	TSXV
	Aurelius Minerals Inc	TSXV
Richard Graham	Justify Capital Corp.	TSXV
	Cypress Hills Resource Corp.	TSXV

Orientation and Continuing Education of Board Members

The Corporation does not currently have any formal orientation and education programs for new directors as the changes in Board membership have been limited. The Board briefs all new directors on the corporate policies of the Corporation and other relevant corporate and business information. If there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. The Board has adopted a Board Mandate and Code of Business Conduct and Ethics. The Board has also adopted a whistleblower protection policy with respect to the confidential and anonymous reporting of complaints and irregularities.

Nomination of Directors

The Board as a whole remains responsible for nominating new members of the Board and assessing members of the Board on an on-going basis. If it becomes necessary, a nomination committee will be created which in turn will develop relevant criteria for suitable candidates including the independence of the individual, financial acumen and availability to devote sufficient time to the duties of the Board.

Compensation

For a discussion on the process by which the Board determines compensation for the directors and executive officers, see "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

Other Board Committees

The only standing committee of the Board is the audit committee of the Corporation (the “**Audit Committee**”). For further information regarding the Audit Committee, see the description under the heading “*Audit Committee Disclosure*”.

Assessments of Directors, the Board and Board Committees

To date, given the small size of the Board, the Board has not found it necessary to institute any formal process in order to satisfy itself that the Board, its committees and its individual directors are performing effectively.

AUDIT COMMITTEE DISCLOSURE

The following information is provided in accordance with Form 52-110F2 under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

Audit Committee Charter

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting processes of the Corporation and annual external audits of the consolidated financial statements. The Audit Committee has formally set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation’s internal accounting standards and practices, financial information, accounting systems and procedures. See Exhibit “A” hereto for a copy of the Audit Committee Charter of the Corporation.

Composition of the Audit Committee

The Audit Committee currently consists of Richard A. Graham, Michael Leskovec and Tony Chadraoui. Michael Leskovec is the Chair of the Audit Committee. All members of the Audit Committee have been determined to be independent, except for Richard A. Graham, by virtue of his position as President and Chief Executive Officer of the Corporation. All members are considered to be financially literate.

Relevant Education and Experience of Audit Committee Members

Richard A. Graham

Mr. Graham has obtained a Bachelor of Science in Geology from the University of Alberta and is a Professional Geologist, registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta and has over 25 years of geological experience. Since February 2004, Mr. Graham has been and is currently Manager of Corporate Development for Earlston Investments Corp., a private merchant bank. He is also a director and officer of several other public companies.

Michael Leskovec

Mr. Leskovec is the Chief Financial Officer of Northfield Capital Corporation, a TSX Venture Exchange listed investment holding company, since May, 2020. Mr. Leskovec is a CPA, CA with 20 years of financial experience with publicly listed companies and capital markets. He has served most recently as a Vice President and Financial Control Officer of Northfield from 2010 to May 2020. He also currently serves as an Officer/Director of several other public companies, primarily in the mineral and investment industries. Mr. Leskovec earned his CPA, CA designation while working in the public company audit and assurance practice for Smith Nixon LLP and holds an Honours Bachelor of Accounting Degree from Brock University in Ontario, Canada.

Tony Chadraoui

Mr. Chadraoui is Founder, Chief Investment Officer and Chief Executive Officer of Tyrus Capital, an alternative asset manager, which he founded in 2009 with offices in Monaco and London. Prior to this, Mr. Chadraoui was Global Head of Event-Driven Strategies at Deephaven Capital Management. Before joining Deephaven in 2006, he spent six

and a half years at Lehman Brothers, first in investment banking where he focused on mergers and acquisitions and then as a proprietary trader managing an event-driven strategy. In September 2018, Mr. Chedraoui was appointed as a member of the Hautes Etudes Commerciales (‘HEC’) Paris International Advisory Board, providing advice and guidance to HEC and assisting in its strategic development. Mr. Chedraoui has an MSc in Finance from the HEC in France and a BSc in Computer and Communication Engineering from the American University of Beirut.

Following the Meeting, it is anticipated that the following directors will be appointed to the Audit Committee: Richard Graham, Michael Leskovec and Tony Chedraoui.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee will review and pre-approve any engagements for non-audit services to be provided by the external auditor, together with estimated fees.

External Auditor Service Fees (By Category)

The following table discloses the approximate aggregate fees paid by the Corporation to the external auditors of the Corporation in each of the last two financial years of the Corporation for audit fees.

Financial Year Ended	Audit fees⁽¹⁾	Audit related fees⁽²⁾	Tax fees⁽³⁾	All other fees⁽⁴⁾
December 31, 2020	\$35,000	Nil	Nil	Nil
June 30, 2020	\$10,628	Nil	Nil	Nil

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the ‘Audit Fees’ column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

As a “venture issuer” (as such term is defined under NI 51-102 – *Continuous Disclosure Obligations*), the Corporation is relying upon the exemption provided for in section 6.1 of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation’s SEDAR profile at www.sedar.com. Inquiries, including requests for copies of the Corporation’s financial statements and management’s discussion and analysis may be directed to Sandra Lee, Corporate Secretary of the Corporation. Additional financial information is provided in the Corporation’s audited financial statements and management’s discussion and analysis for the year ended December 31, 2020 which are also available on SEDAR.

EXHIBIT “A”

RHYOLITE RESOURCES LTD. (the “Corporation”)

AUDIT COMMITTEE CHARTER OF THE CORPORATION

I. Mandate

The primary function of the audit committee (the “Committee”) is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements.
- Review and appraise the performance of the Corporation’s external auditors.
- Provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the board of directors.

II. Composition

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

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation’s Charter, the definition of “financially literate” is the ability to read and understand a balance sheet, an income statement and a cash flow statement. The definition of “accounting or related financial management expertise” is the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders’ meeting. Unless a Chairman is elected by the full board of directors, the members of the Committee may designate a Chairman by a majority vote of the full Committee membership.

III. Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

1. Review and update this Charter annually.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

3. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
4. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation, consistent with Independence Standards Board Standard 1.
5. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors.
6. Take, or recommend that the full board of directors take, appropriate action to oversee the independence of the external auditors.
7. Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
8. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
9. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

12. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
13. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
14. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
15. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
16. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
17. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
18. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
19. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
20. Review certification process.
21. Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other

22. Review any related-party transactions.

EXHIBIT "B"

NOTICE OF CHANGE OF AUDITOR



RHYOLITE
RESOURCES LTD.

Suite 1703 – 595 Burrard Street
Vancouver, BC V7X 1J1
Tel: (604) 689-1428 / Fax: (604) 681-4692
www.rhyoliteresources.com

NOTICE OF CHANGE OF AUDITOR
Pursuant to National Instrument 51-102

To: Davidson & Company LLP
KPMG LLP
British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

April 20, 2021

Dear Sir/Madam

Re: Notice of Change of Auditors for Rhyolite Resources Ltd.

Pursuant to National Instrument 51-102, Rhyolite Resources Ltd. (“Rhyolite”) hereby provides change of auditor notice as follows:

- On April 20, 2021, Davidson & Company LLP of Vancouver, British Columbia, resigned as Rhyolite’s auditor, at Rhyolite’s request,
- On April 20, 2021, Rhyolite appointed KPMG LLP of Toronto, Ontario, to fill the vacancy created by the resignation of Davidson & Company LLP, and to hold such position until the close of the next annual meeting of shareholders of Rhyolite Resources Ltd.
- The resignation of Davidson & Company LLP and the appointment of KPMG LLP was considered and approved by the Audit Committee and the Board of Directors of Rhyolite.
- There were no modifications of opinion by Davidson & Company LLP in the Auditors’ Reports of the two most recently completed fiscal years ended December 31, 2020 and June 30, 2020.
- The Board of Directors of Rhyolite is of the opinion that there were no “reportable events” as defined by National Instrument 51-102, which occurred in connection with the audit of the two most recently completed fiscal years or for any period subsequent to the most recently completed fiscal period for which an Auditors’ Report was issued.
- Dated this 20th day of April, 2021.

Yours very truly,

Cybill Tsung, Chief Financial Officer
Rhyolite Resources Ltd.

May 3, 2021

British Columbia Securities Commission

PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

Ontario Securities Commission

20 Queen Street West, 19th Floor, Box 55
Toronto Ontario
M5H 3S8

Alberta Securities Commission

600, 250 – 5th Street S.W.
Calgary, AB
T2P 0R4

Dear Sirs / Mesdames

Re: Rhyolite Resources Inc. (the "Company")
Notice Pursuant to NI 51 – 102 of Change of Auditor

In accordance with National Instrument 51-102, we have read the Company's Change of Auditor Notice dated April 20, 2021 and agree with the information contained therein, based upon our knowledge of the information at this date.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours very truly,



DAVIDSON & COMPANY LLP

Chartered Professional Accountants

cc: TSX Venture Exchange





KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

May 3, 2021

Dear Sir/Madam

Re: Notice of Change of Auditors of Rhyolite Resources Ltd.

We have read the Notice of Rhyolite Resources Ltd. dated April 20, 2021 and are in agreement with the statements contained in such Notice.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that tapers at both ends, serving as a decorative underline.

Chartered Professional Accountants, Licensed Public Accountants

EXHIBIT "C"
RESTRICTED SHARE UNIT PLAN

RHYOLITE RESOURCES LTD.
RESTRICTED SHARE UNIT PLAN
(Effective June 28, 2021)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions

For the purposes of this Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- A. **"Affiliate"** means any corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 - *Prospectus Exemptions*, as may be amended from time to time;
- B. **"Associate"**, where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (British Columbia), as may be amended from time to time;
- C. **"Board"** means the Board of Directors of the Corporation;
- D. **"Change of Control"** means:
 - (a) there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as the term "offeror" is defined in Section 1.1 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*) has acquired beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, any shares of capital stock of any class of the Corporation carrying voting rights under all circumstances (the **"Voting Shares"**), that, together with the offeror's securities would constitute Voting Shares of the Corporation representing more than 50% of the total voting power attached to all Voting Shares of the Corporation then outstanding.
 - (b) there is consummated any amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Corporation: (1) in which the Corporation is not the continuing or surviving corporation, or (2) pursuant to which any Voting Shares of the Corporation would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction involving the Corporation in which the holders of the Voting Shares of the Corporation immediately prior to such amalgamation, consolidation, statutory arrangement, merger, business combination or other similar transaction have, directly or indirectly, more than 50% of the Voting Shares of the continuing or surviving corporation immediately after such transaction,

- (c) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Corporation such that such nominees, when added to any existing directors of the Corporation, will constitute a majority of the directors of the Corporation, or
 - (d) there is consummated a sale, transfer or disposition by the Corporation of all or substantially all of the assets of the Corporation, provided that an event shall not constitute a Change of Control if its sole purpose is to change the jurisdiction of the Corporation's organization or to create a holding company, partnership or trust that will be owned in substantially the same proportions by the persons who held the Corporation's securities immediately before such event.
- E. **"Committee"** means the Board or, if the Board so determines in accordance with Section 2.03 of the Plan, the committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;
- F. **"Corporation"** means Rhyolite Resources Ltd. and includes any successor corporation thereof;
- G. **"Deferred Payment Date"** for a Participant means the date after the Restricted Period which is the earlier of (i) the date to which the Participant has elected to defer receipt of Restricted Shares in accordance with Section 3.05 of this Restricted Share Units Plan; and (ii) the Participant's Termination or Retirement Date;
- H. **"Insider"** means: (i) an insider as defined in the *Securities Act* (British Columbia), as may be amended from time to time, other than a person who is an Insider solely by virtue of being a director or senior officer of an Affiliate; and (ii) an Associate of any person who is an insider by virtue of (i);
- I. **"Investor Relations Activities"** means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
- a. the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation
 - i. to promote the sale of products or services of the Corporation, or
 - ii. to raise public awareness of the Corporation,
 - iii. that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - b. activities or communications necessary to comply with the requirements of
 - i. applicable securities laws, policies or regulations,

- ii. the rules, and regulations of the TSXV or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
 - iii. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 1. the communication is only through the newspaper, magazine or publication, and
 2. the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - c. activities or communications that may be otherwise specified by the TSXV;
- J. **“Market Price”** at any date in respect of the Shares shall be, the closing trading price of such Shares on the TSXV (or such other main stock exchange on which the Shares are listed) on the last trading day immediately before the date on which the Market Price is determined. In the event that the Shares are not then listed and posted for trading on the TSXV (or another exchange), the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;
- K. **“Participant”** means each of the following to whom Restricted Share Units are granted hereunder:
- a. a senior officer or director of the Corporation or any of its subsidiaries;
 - b. either:
 - i. an individual who is considered an employee under the *Income Tax Act* (Canada),
 - ii. an individual who works full-time for the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, or

- iii. an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source,

any such individual, an **“Employee”**;

- c. an individual employed by a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual (a **“Company”**) which individual is providing management services to the Corporation through such Company, or an individual (together with a Company, a **“Person”**) providing management services directly to the Corporation, which management services are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities (as hereafter defined) (a **“Management Company Employee”**);
- d. an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, who:
 - i. provides ongoing consulting services to the Corporation or an Affiliate of the Corporation under a written contract;
 - ii. possesses technical, business or management expertise of value to the Corporation or an Affiliate of the Corporation;
 - iii. spends a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation;
 - iv. has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation; and
 - v. does not engage in Investor Relations Activities (as hereafter defined)

any such individual, a **“Consultant”**;

Subject to the foregoing, the Committee shall have full and final authority to determine the persons who are to be granted Restricted Share Units under the Plan;

- L. **“Plan”** means the Corporation’s Restricted Share Plan, as same may be amended from time to time;

- M. **“Restricted Period”** means any period of time that a Restricted Share Unit is not exercisable and the Participant holding such Restricted Share Unit remains ineligible to receive Restricted Shares, determined by the Committee in its absolute discretion, however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Committee, including but not limited to circumstances involving death or disability of a Participant;
- N. **“Retirement”** means the Participant ceasing to be an officer or Employee or a director after attaining a stipulated age in accordance with the Corporation’s normal retirement policy or earlier with the Corporation’s consent;
- O. **“Retirement Date”** means the date on which a Participant ceases to be an officer, Employee or director due to the Retirement of the Participant;
- P. **“Restricted Share Units”** has such meaning as ascribed to such term at Section 3.02 of this Plan;
- Q. **“Restricted Shares”** means the Shares issuable upon the expiry of an applicable Restricted Period;
- R. **“Shares”** means the common shares in the capital of the Corporation, as adjusted in accordance with the provisions of Article Five of this Plan;
- S. **“Termination”** means: (i) in the case of a director, the removal of or failure to re-elect or re-appoint the director as a director of the Corporation or any Affiliate; and (ii) in the case of an officer, Employee, Management Company Employee, or Consultant, the later of (a) the date of notification, and (b) the last day of work following notification, of termination of the officer, Employee, Management Company Employee or Consultant with or without cause by the Corporation or an Affiliate, in each case, without regard to any period of reasonable notice or severance that may follow notification or last day of work, except where required by applicable employment standards legislation or the cessation of service of the officer, Employee, Management Company Employee or Consultant with the Corporation or an Affiliate as a result of the resignation or otherwise, other than the Retirement, of the employee or Officer; for greater certainty, in each case, other than for death or disability of a Participant;
- T. **“Triggering Event”** means (i) in the case of a director, the removal of or failure to re-elect or re-appoint the director as a director of the Corporation or any Affiliate; (ii) in the case of an officer, Employee, Management Company Employee, or Consultant, the termination of the officer, Employee, Management Company Employee or Consultant, without cause; (iii) in the case of an Employee or an officer, he or she resigns as a result of a material adverse change imposed by the Corporation or the Affiliate (as the case may be) in duties, powers, rights, discretion, prestige, salary, benefits, perquisites, as they exist, and with respect to financial entitlements, the conditions under and manner in which they were payable, immediately prior to the Change of Control, or a material diminution of title imposed by the Corporation or the Affiliate (as the case may be), as it exists

immediately prior to the Change of Control in either case without the individual's written agreement;

- U. **"TSXV"** means the TSX Venture Exchange; and
- V. **"U.S. Taxpayer"** means a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident or a Participant for whom a benefit under this Plan would otherwise be subject to U.S. taxation under the U.S. Internal Revenue Code of 1986, as amended, and the rulings and regulations in effect thereunder.

Section 1.02 **Headings:** The headings of all articles, Sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.03 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 **References to this Restricted Share Plan:** The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.05 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE RESTRICTED SHARE PLAN

Section 2.01 **Purpose of the Restricted Share Plan:** The Plan provides for the acquisition of Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of officers, Employees, Consultants and directors of the Corporation and its Affiliates and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Shares by key officers, Employees, Consultants and directors of the Corporation and its Affiliates, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging officers, Employees, Consultants and directors due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 **Administration of the Restricted Share Plan:** The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as directors of the Corporation, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made in good faith. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute

discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Notwithstanding anything to the contrary in the Plan, the provisions of Schedule "A" shall apply to Restricted Share Units granted to a Participant who is a U.S. Taxpayer.

Section 2.03 Delegation to Committee: All of the powers exercisable hereunder by the directors of the Corporation may, to the extent permitted by applicable law and as determined by resolution of the directors of the Corporation, be exercised by the compensation committee of the Board.

Section 2.04 Record Keeping: The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Restricted Share Units granted to each Participant and the date of grant;
- (c) the Restricted Period(s) (and other conditions) applicable to such Restricted Share Units; and
- (d) the number of Restricted Shares issued to each Participant.

Section 2.05 Determination of Participants and Participation: The Committee shall from time to time determine the Participants who may participate in the Plan. The Committee shall from time to time determine the Participants to whom Restricted Share Units shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

Section 2.06 Maximum Number of Shares:

- (a) The aggregate maximum number of Shares available for issuance from treasury under this Plan, the Deferred Share Unit Plan, and any other equity incentive compensation plans of the Corporation, subject to adjustment pursuant to Section 5.06, shall not exceed 10% of the outstanding Shares at any given time. Any Shares subject to a Restricted Share Unit which has been granted under the Plan and which has been cancelled or terminated in accordance with the terms of the Plan without the applicable Restricted Period having expired will again be available under the Plan and the Deferred Share Unit Plan.
- (b) The maximum number of Shares issuable to Insiders, at any time, pursuant to this Plan and any other share based compensation arrangements of the Corporation is 10% of the total number of Shares then outstanding. The maximum number of Shares issued to Insiders, within any one year period, pursuant to this Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Shares then outstanding. For purposes of this Section 2.06, the number of Shares then outstanding shall mean the number of Shares

outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.

- (c) So long as the Corporation is subject to TSXV requirements, no Restricted Share Unit may be issued to anyone engaged to perform Investor Relations Activities for the Corporation and in no event can an issuance of Restricted Share Units, when combined with any grants made pursuant to any other share based compensation plan, result in:
 - (i) any one person being granted such number of share based compensation awards equaling or exceeding 5% of the issued Shares, within any one year period, calculated on the date a security based compensation unit/option is granted to the person (unless the Corporation has obtained the requisite disinterested Shareholder approval); and
 - (ii) any one Consultant in a 12 month period being granted such number of share based compensation awards equaling or exceeding 2% of the issued Shares, calculated at the date the security based compensation unit/option is granted to the Consultant.

Section 2.07 **Maximum Term:** The maximum term for Restricted Share Units is up to ten (10) years, but may be such shorter term as the Corporation chooses.

ARTICLE 3

RESTRICTED SHARE PLAN

Section 3.01 **Restricted Share Plan:** The Plan is hereby established for the Participants.

Section 3.02 **Participants:** The Committee shall have the right to grant, in its sole and absolute discretion, to any Participant rights to acquire any number of fully paid and non-assessable Shares (“**Restricted Share Units**”) in consideration of past services to the Corporation, subject to the Plan and agreement with a Participant and with such provisions, conditions (including any performance conditions) and restrictions as the Committee may determine. At the end of the Restricted Period or Deferred Payment Date (if any) applicable to a Restricted Share Unit, subject to any applicable conditions pursuant to the terms of such Restricted Share Unit, and without the payment of additional consideration or any other further action on the part of the holder of the Restricted Share Unit, the Corporation shall issue to the Participant holding the Restricted Share Unit one Share for each Restricted Share Unit held by the Participant for which the Restricted Period has expired.

Section 3.03 **Restricted Share Unit Grant Letter:** Each grant of a Restricted Share Unit under the Plan shall be evidenced by a Restricted Share Unit grant letter from the Corporation and agreed to by the Participant. Such Restricted Share Unit grant letter shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Restricted Share Unit grant letter. The provisions of the various Restricted Share Unit grant letters issued under the Plan need not be identical. To the extent that there is any inconsistency between the Plan and the Restricted Share Unit grant letter or any other communications, the Plan shall prevail.

Section 3.04 **Restricted Period:** Concurrent with the determination to grant Restricted Share Units to a Participant, the Committee shall determine the Restricted Period applicable to such Restricted Share Units.

Section 3.05 **Deferred Payment Date:** Participants who are residents of Canada for the purposes of the *Income Tax Act* (Canada) and not subject to the provisions of the *Internal Revenue Code* may elect to defer receipt all or any part of their Restricted Shares until a Deferred Payment Date. Any other Participants may not elect a Deferred Payment Date.

Section 3.06 **Notice of Deferred Payment Date:** Qualifying Participants who elect to set a Deferred Payment Date must give the Corporation written notice of the Deferred Payment Date not later than sixty (60) days prior to the expiration of the Restricted Period. For certainty, Participants shall not be permitted to give any such notice after the day which is sixty (60) days prior to the expiration of the Restricted Period and a notice once given may not be changed or revoked.

Section 3.07 **Retirement or Termination during Restricted Period:** In the event of the Retirement or Termination of a Participant during the Restricted Period, any Restricted Share Units held by the Participant shall immediately terminate and be of no further force or effect; provided, however, that the Committee shall have the absolute discretion to modify the Restricted Shares Units to provide that the Restricted Period shall terminate immediately prior to a Participant's Termination or Retirement, or allow the Restricted Share Units to continue in accordance with their terms.

Section 3.08 **Payment of Dividends:** In the event a cash dividend is paid to shareholders of the Corporation on the Shares while a Restricted Share Unit is outstanding, the Committee may, in its sole discretion, elect to credit each Participant with additional Restricted Share Units. In such case, the number of additional Restricted Share Units will be equal to the aggregate amount of dividends that would have been paid to the Participant if the Restricted Share Units in the Participant's account on the record date had been Shares divided by the Market Price of a Share on the date on which dividends were paid by the Corporation. If the foregoing shall result in a fractional Restricted Share Unit, the fraction shall be disregarded.

Section 3.09 **Death or Disability of Participant:** In the event of:

- (a) the death of a Participant, any Restricted Share Units held by such Participant will vest on the date of death of such Participant and the Restricted Shares represented by the Restricted Share Units held by such Participant will be issued to the Participant's estate as soon as reasonably practical thereafter, but in any event no later than ninety (90) days thereafter; and
- (b) the disability of a Participant (determined in accordance with the Corporation's normal disability practices), any Restricted Share Units held by such Participant will vest on the date in which such Participant is determined to be totally disabled and the Restricted Shares represented by the Restricted Share Units held by the Participant will be issued to the Participant as soon as reasonably practical, but in any event no later than thirty (30) days following receipt by the Corporation of notice of disability.

Section 3.10 **Change of Control:** In the event of (i) a Change of Control, and (ii) within 12 months of such Change of Control the Participant is subject to a Triggering Event, then all Restricted Share Units outstanding of such Participant shall immediately vest on the date of such

termination/resignation notwithstanding the Restricted Period. In any event, upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Corporation with respect to the consideration that the Participants would be entitled to receive for their Shares.

Section 3.11 Trading Blackout Periods: Unless otherwise determined by resolution of the Committee, in the event that any Restricted Period or Deferred Payment Date, as applicable, expires during, or within 48 hours after a self-imposed blackout period on the trading of securities of the Corporation, such expiry will occur on the day immediately following the end of the blackout period, or such 48 hour period, as applicable.

Section 3.12 Necessary Approvals: The Plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation and acceptance by the TSXV or any regulatory authority having jurisdiction over the securities of the Corporation.

ARTICLE 4

WITHHOLDING TAXES

Section 4.01 Withholding Taxes: The Corporation or its Affiliates may take such steps as are considered necessary or appropriate to deduct any appropriate withholding taxes or other withholding liabilities which the Corporation or its Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Shares to be issued under the Plan, until such time as the Participant has paid the Corporation or its Affiliate for any amount which the Corporation and its Affiliates are required to withhold with respect to such taxes.

ARTICLE 5

GENERAL

Section 5.01 Effective Time of Restricted Share Plan: The Restricted Share Units Plan herein shall become effective on the date on which it is approved by the shareholders. The Plan shall remain in effect until it is terminated by the Board.

Section 5.02 Amendment of Restricted Share Plan: The Board may from time to time in its discretion (without shareholder approval) amend, modify and change the provisions of the Plan (including any grant letters), including, without limitation:

- (a) amendments of a house keeping nature; and
- (b) changes to the Restricted Period of any Restricted Share Units.

However, other than as set out above, any amendment, modification or change to the provisions of the Plan which would:

- (a) increase the number of Shares or maximum percentage of Shares which may be issued pursuant to the Plan other than by virtue of Section 5.06 of the Plan;
- (b) reduce the range of amendments requiring shareholder approval contemplated in this section;

- (c) permit Share Units to be transferred other than for normal estate settlement purposes;
- (d) change insider participation limits which would result in shareholder approval being required on a disinterested basis;
- (e) materially modify the eligibility requirements for participation in the Plan; or
- (f) modify Section 2.06,

shall only be effective on such amendment, modification or change being approved by the shareholders of the Corporation. In addition, any such amendment, modification or change of any provision of the Plan shall be subject to the approval, if required, by any stock exchange having jurisdiction over the securities of the Corporation.

Section 5.03 **Non-Assignable:** Except pursuant to a will or by the laws of descent and distribution, no Restricted Share Unit and no other right or interest of a Participant is assignable or transferable.

Section 5.04 **Rights as a Shareholder:** No holder of any Restricted Share Units shall have any rights as a shareholder of the Corporation prior to the end of the applicable Restricted Period. Subject to Sections 3.06 and 5.06, no holder of any Restricted Share Units shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for shareholders of the Corporation for which the record date is prior to the date of expiry of the Restricted Period applicable to any Restricted Share Unit.

Section 5.05 **No Contract of Employment:** Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or its Affiliates nor interfere or be deemed to interfere in any way with any right of the Corporation or its Affiliates to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in the Plan by a Participant shall be voluntary.

Section 5.06 **Adjustment in Number of Shares Subject to the Restricted Share Plan:** In the event there is any change in the Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification, amalgamation, merger, business combination or arrangement, or otherwise, an appropriate adjustment shall be made to outstanding Restricted Share Units by the Board, in its sole discretion, to reflect such changes. If the foregoing adjustment shall result in a fractional securities or Restricted Share Unit, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Plan.

Section 5.07 **No Representation or Warranty:** The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

Section 5.08 **Compliance with Applicable Law:** If any provision of the Plan or any Restricted Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith. Furthermore, this Plan is intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, to the extent applicable, as a short-term deferral and will be interpreted accordingly to the maximum extent permissible.

Section 5.09 **Interpretation:** This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

SCHEDULE "A"

U.S. TAXPAYER

Notwithstanding anything to the contrary in the Plan, the provisions of this Schedule "A" shall apply to the Restricted Share Units granted to a Participant during the period that he or she is a U.S. Taxpayer.

1. Retirement

Notwithstanding section 3.07 of the Plan, any unvested Restricted Share Units held by a Participant that is a U.S. Taxpayer will automatically vest on the date such Participant attains the age of 65 and the Shares underlying such Restricted Share Units will be issued to the Participant forthwith and in any event no later than March 15 of the following calendar year.

2. Inability to Elect a Deferred Payment Date

For greater certainty, a Participant who is a U.S. Taxpayer will not be entitled to elect a Deferred Payment Date.

EXHIBIT "D"
DEFERRED SHARE UNIT PLAN

RHYOLITE RESOURCES LTD.

DEFERRED SHARE UNIT PLAN

(Effective June 28, 2021)

ARTICLE 1

DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions:** For purposes of the Deferred Share Unit Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- A. **"Act"** means the *Business Corporations Act* (British Columbia) or its successor, as amended from time to time;
- B. **"Affiliate"** means any corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time;
- C. **"Acknowledgement and Election Form"** means a document substantially in the form of Schedule "A"
- D. **"Board"** means the board of directors of the Corporation;
- E. **"Committee"** means the Board or if the Board so determines in accordance with Section 2.03 of the Deferred Share Unit Plan, the committee of the Directors authorized to administer the Deferred Share Unit Plan which includes the compensation committee of the Board;
- F. **"Common Shares"** means the common shares of the Corporation;
- G. **"Corporation"** means Rhyolite Resources Ltd., a corporation existing under the Act;
- H. **"Deferred Share Unit"** means a unit credited by way of book-keeping entry in the books of the Corporation and administrated pursuant to the Deferred Share Unit Plan, representing the right to receive a Common Share (subject to adjustments in accordance with Section 5.05) or a cash payment (subject to Article 6) the value of which is equal to the Market Value of a share calculated at the date of such payment, in accordance with Section 3.03;
- I. **"Deferred Share Unit Plan"** means the deferred share unit plan described in Article Three hereof;
- J. **"Designated Affiliate"** means an Affiliate of the Corporation designated by the Committee for purposes of the Deferred Share Unit Plan from time to time;
- K. **"Director"** means a member of the Board from time to time;
- L. **"Director's Remuneration"** means the portion of the annual compensation payable to an Eligible Director by the Corporation in respect of the services provided to the Corporation by the Eligible Director as a member of the Board or as a member of the board of directors of a Designated Affiliate in a year, but, for greater certainty, excluding amounts received by an Eligible Director as a reimbursement for expenses incurred in attending meetings;

- M. **"DSU Grant Letter"** has the meaning ascribed thereto in Section 3.04;
- N. **"DSU Issue Date"** means the date of issuance of a Deferred Share Unit as determined by the Committee;
- O. **"DSU Payment"** means either (i) the issuance of one Common Share (subject to adjustments in accordance with Section 5.05) for each Deferred Share Unit or (ii) a cash payment by the Corporation to a Participant equal to the Market Value of a Common Share on the Separation Date multiplied by the number of Deferred Share Units held by the Participant on the Separation Date, as determined in the sole discretion of the Corporation;
- P. **"Elective Entitlement"** has the meaning ascribed thereto in paragraph 3.02(b);
- Q. **"Eligible Director"** means a person who is a Director or a member of the board of directors of any Designated Affiliate and who, at the relevant time, is not otherwise an employee of the Corporation or of a Designated Affiliate, and such person shall continue to be an Eligible Director for so long as such person continues to be a member of such boards of directors and is not otherwise an employee of the Corporation or of a Designated Affiliate;
- R. **"Entitlement"** has the meaning ascribed thereto in Section 3.02;
- S. **"Market Value"** means the closing trading price of the Common Shares on the TSXV on the last trading day immediately prior to the date as of which Market Value is determined. If the Common Shares are not trading on the TSXV, then the Market Value shall be determined in the same manner based on the trading price on such stock exchange or over-the-counter market on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Committee. In the event that the Common Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion;
- T. **"Participant"** for the Deferred Share Unit Plan means each Eligible Director to whom Deferred Share Units are issued;
- U. **"Required Shareholder Approval"** means the approval by the shareholders of the Corporation, as may be required by the TSXV or any other stock exchange on which the Shares are listed, of this Plan;
- V. **"Separation Date"** means the date that a Participant ceases to be an Eligible Director for any reason whatsoever, including death of the Eligible Director, and is otherwise not an employee of the Corporation or of a Designated Affiliate; and
- W. **"TSXV"** means the TSX Venture Exchange.

Section 1.02 **Headings:** The headings of all articles, Sections, and paragraphs in the Deferred Share Unit Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Deferred Share Unit Plan.

Section 1.03 **Context, Construction:** Whenever the singular or masculine are used in the Deferred Share Unit Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 **References to this Deferred Share Unit Plan:** The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Deferred Share Unit Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.05 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Deferred Share Unit Plan are references to lawful money of Canada.

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE DEFERRED SHARE PLAN

Section 2.01 **Purpose of the Deferred Share Unit Plan:** The purpose of the Deferred Share Unit Plan is to strengthen the alignment of interests between the Eligible Directors and the shareholders of the Corporation by linking a portion or all of annual director compensation to the future value of the Common Shares. In addition, the Deferred Share Unit Plan has been adopted for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of directors of the Corporation, it being generally recognized that deferred share unit plans aid in attracting, retaining and encouraging director commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Common Shares.

Section 2.02 **Administration of the Deferred Share Unit Plan:** The Deferred Share Unit Plan shall be administered by the Committee and the Committee shall have full discretionary authority to administer the Deferred Share Unit Plan including the authority to interpret and construe any provision of the Deferred Share Unit Plan and to adopt, amend and rescind such rules and regulations for administering the Deferred Share Unit Plan as the Committee may deem necessary in order to comply with the requirements of the Deferred Share Unit Plan. In addition, the Committee may determine, as may be necessary, the time when the Deferred Share Unit Plan will commence to apply and the time when the Deferred Share Unit Plan will cease to apply to any particular Eligible Director. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Deferred Share Unit Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Deferred Share Unit Plan and of the rules and regulations established for administering the Deferred Share Unit Plan. All costs incurred in connection with the Deferred Share Unit Plan shall be for the account of the Corporation.

Section 2.03 **Delegation to Committee:** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three (3) Directors, including any compensation committee of the Board.

Section 2.04 **Record Keeping:** The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant in the Deferred Share Unit Plan;

- (b) the number of Deferred Share Units granted to each Participant under the Deferred Share Unit Plan;
- (c) the vesting date of the Deferred Share Units; and
- (d) the date and price at which Deferred Share Units were granted.

ARTICLE 3

DEFERRED SHARE UNIT PLAN

Section 3.01 **Deferred Share Unit Plan:** A Deferred Share Unit Plan is hereby established for Eligible Directors.

Section 3.02 **Participants:** The Committee shall grant and issue to each Eligible Director on each DSU Issue Date the aggregate of:

- (a) that number of Deferred Share Units having a value (such value being the **"Mandatory Entitlement"**) equal to the percentage or portion of the Eligible Director's Remuneration payable to such Eligible Director for the current year as determined by the Board at the time of determination of the Eligible Director's Remuneration; and
- (b) that number of Deferred Share Units having a value (such value being the **"Elective Entitlement"**) equal to the percentage or portion of the Eligible Director's Remuneration which is not payable to such Eligible Director for the current year pursuant to paragraph (a) as determined by the Eligible Director.

The aggregate number of Deferred Share Units under (a) and (b) shall be calculated based on the sum of Eligible Director's Mandatory Entitlement and Elective Entitlement (collectively, the **"Entitlement"**) and the number of Deferred Share Units to be granted to an Eligible Director will be determined by dividing the Entitlement by the Market Value on the DSU Issue Date.

An Eligible Director shall have the right to elect in each calendar year the manner in which the Eligible Director wishes to receive the Director's Remuneration (i.e. the Elective Entitlement), other than the portion fixed by the Board (the Mandatory Entitlement) in accordance with paragraph (a) (whether in cash, Deferred Share Units or a combination thereof) by completing, signing and delivering to the Corporate Secretary (or such other officer or employee designated by the Committee for such purpose) the Acknowledgement and Election Form: (i) in the case of a current Eligible Director, by December 31 of such calendar year with such election to apply in respect of the Director's Remuneration for the following calendar year; or (ii) in the case of a new Eligible Director, within thirty (30) days after the Eligible Director's first election or appointment to the Board with such election to apply in respect of the calendar year in which such Eligible Director was elected or appointed to the Board. The Board may, from time to time, set such limits on the manner in which Participants may receive their Director's Remuneration and every election made by a Participant in his or her Acknowledgement and Election Form shall be subject to such limits once they are set. If the Acknowledgment and Election Form is signed and delivered in accordance with this Section 3.02, the Corporation shall pay and/or issue the Director's Remuneration for the calendar year in question, as the case may be, to such Participant in accordance with this Section 3.02 and such Director's Acknowledgment and Election Form. If the Acknowledgment and Election Form is not signed and delivered in accordance with this Section 3.02, the Corporation shall pay the Director's Remuneration, which is not payable in accordance with paragraph (a), in cash. If a Participant has signed and delivered an Acknowledgment and Election Form in respect of one calendar year in accordance with this Section 3, but has not

subsequently signed and delivered a new Acknowledgment and Election Form in respect of a subsequent calendar year, the Corporation shall continue to pay and/or issue the Director's Remuneration for each subsequent calendar year, if any, in accordance with paragraph (a) and the manner specified in the last Acknowledgment and Election Form that was signed and delivered by the Participant in accordance with this Section 3, until such time as the Participant signs and delivers a new Acknowledgment and Election Form in accordance with this Section.

Section 3.03 Vesting and Redemption: Unless otherwise determined by the Committee at the time of grant, Deferred Share Units granted to a Participant will vest 12 months following the DSU Issue Date, provided that the Participant remains an Eligible Director at the end of such 12 months period. If a Participant ceases to be an Eligible Director prior to the vesting of Deferred Share Units held by the Participant, such unvested Deferred Share Units shall be automatically cancelled and no longer in effect on the Separation Date of such Participant.

Each vested Deferred Share Unit held by a Participant who ceases to be an Eligible Director shall be redeemed by the Corporation on the relevant Separation Date for a DSU Payment (less any applicable taxes and other source deductions required to be withheld by the Corporation) to be made to the Participant (or after the Participant's death, a dependent, relative or legal representative of the Participant) on such date as the Corporation determines not later than 60 days after the Separation Date, without any further action on the part of the holder of the Deferred Share Unit in accordance with this Article.

Section 3.04 Deferred Share Unit Letter: Each grant of Deferred Share Units under the Deferred Share Unit Plan shall be evidenced by a letter agreement of the Corporation ("**DSU Grant Letter**"). Such Deferred Share Units shall be subject to all applicable terms and conditions of the Deferred Share Unit Plan and may be subject to any other terms and conditions which are not inconsistent with the Deferred Share Unit Plan and which the Committee deems appropriate for inclusion in a DSU Grant Letter. The provisions of the various DSU Grant Letters entered into under the Deferred Share Unit Plan need not be identical, and may vary from Participant to Participant.

Section 3.05 Dividends: In the event that a dividend (other than stock dividend) is declared and paid by the Corporation on Common Shares, a Participant will be credited with additional Deferred Share Units. The number of such additional Deferred Share Units will be calculated by dividing the total amount of the dividends that would have been paid to the Participant if the Deferred Share Units in the Participant's account on the dividend record date had been outstanding Common Shares (and the Participant held no other Common Shares), by the Market Value of a Common Share on the date on which the dividends were paid on the Common Shares.

Section 3.06 Term of the Deferred Share Unit Plan: The Deferred Share Unit Plan shall become effective upon receipt of the Required Shareholder Approval and shall remain in effect until it is terminated by the Board. Upon termination of the Deferred Share Unit Plan, the Corporation shall redeem all remaining Deferred Share Units under Section 3.03 above, as at the applicable Separation Date for each of the remaining Participants.

ARTICLE 4

WITHHOLDING TAXES

Section 4.01 Withholding Taxes: The Corporation or any Designated Affiliate of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Corporation or any Designated Affiliate of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold.

ARTICLE 5

GENERAL

Section 5.01 Amendment of Deferred Share Unit Plan: The Board may from time to time in its discretion (without shareholder approval) amend, modify and change the provisions of the Deferred Share Unit Plan (or any DSU Grant Letter), except however that, any amendment, modification or change to the provisions of the Deferred Share Unit Plan (or any DSU Grant Letter) which would:

- (a) increase the number of Common Shares or maximum percentage of Common Shares, other than by virtue of Section 5.05 of the Deferred Share Units Plan, which may be issued pursuant to the Deferred Share Unit Plan;
- (b) reduce the range of amendments requiring shareholder approval contemplated in this Section;
- (c) permit Deferred Share Units to be transferred other than for normal estate settlement purposes;
- (d) change insider participation limits which would result in shareholder approval to be required on a disinterested basis; or
- (e) materially modify the requirements as to eligibility for participation in the Deferred Share Units Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation. In addition, any such amendment, modification or change of any provision of the Deferred Share Units Plan shall be subject to the approval, if required, by any regulatory authority having jurisdiction over the securities of the Corporation. Any amendment of this Deferred Share Unit Plan shall be such that this Deferred Share Unit Plan continuously meets the requirements of paragraph 6801(d) of the Regulations to the Income Tax Act (Canada) or any successor provision thereto.

Section 5.02 Non-Assignable: Except as otherwise may be expressly provided for under this Deferred Share Unit Plan or pursuant to a will or by the laws of descent and distribution, no Deferred Share Unit and no other right or interest of a Participant is assignable or transferable, and any such assignment or transfer in violation of this Deferred Share Unit Plan shall be null and void.

Section 5.03 Rights as a Shareholder and Director: No holder of any Deferred Share Units shall have any rights as a shareholder of the Corporation at any time. Nothing in the Deferred Share Unit Plan shall confer on any Eligible Director the right to continue as a director or officer of the Corporation or as a director or officer of any Designated Affiliate or interfere with right to remove such director or officer.

Section 5.04 No Contract of Employment: Nothing contained in the Deferred Share Unit Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or its affiliates nor interfere or be deemed to interfere in any way with any right of the Corporation or its affiliates to discharge any Participant at any time for any reason whatsoever, with or without cause.

Section 5.05 Adjustment in Number of Payments Subject to the Deferred Share Unit Plan: In the event there is any change in the Common Shares, whether by reason of a stock dividend,

stock split, reverse stock split, consolidation, subdivision, reclassification, amalgamation, merger, business combination or arrangement, or otherwise, an appropriate proportionate adjustment shall be made by the Committee with respect to the number of Deferred Share Units then outstanding under the Deferred Share Unit Plan and/or the entitlement thereunder as the Committee, in its sole discretion, may determine to prevent dilution or enlargement of rights.

All such adjustments, as determined by the Committee, shall be conclusive, final and binding for all purposes of the Deferred Share Unit Plan.

Section 5.06 No Representation or Warranty: The Corporation makes no representation or warranty as to the future value of any rights under Deferred Share Units issued in accordance with the provisions of the Deferred Share Unit Plan. No amount will be paid to, or in respect of, an Eligible Director under this Deferred Share Unit Plan or pursuant to any other arrangement, and no additional Deferred Share Units will be granted to such Eligible Director to compensate for a downward fluctuation in the price of the Common Shares, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Director for such purpose.

Section 5.07 Compliance with Applicable Law: If any provision of the Deferred Share Unit Plan or any Deferred Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.08 Interpretation: This Deferred Share Unit Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

Section 5.09 Unfunded Benefit: All DSU Payments to be made constitute unfunded obligations of the Corporation payable solely from its general assets and subject to the claims of its creditors. The Corporation has not established any trust or separate fund to provide for the payment of benefits hereunder.

ARTICLE 6

ADDITIONAL PROVISION FOR TREASURY BASED SHARE ISSUANCES

Section 6.01 The Corporation shall have the power, at the Committee's discretion, to satisfy Deferred Share Units by the issuance of Common Shares from treasury on the basis of, subject to adjustment in accordance with Section 5.05, one Common Share for each Deferred Share Unit or in cash. The Committee can, at its sole discretion, grant Deferred Share Units that can only be satisfied by the issuance of Shares from treasury or by cash payment or by a combination thereof.

Section 6.02 The aggregate maximum number of Common Shares available for issuance from treasury under this Plan, the Restricted Share Unit Plan, and any other equity incentive compensation plans of the Corporation, subject to adjustment pursuant to Section 5.05, shall not exceed 10% of the outstanding Common Shares at any given time. Any Common Shares subject to a Deferred Share Unit which has been granted under the Plan and which has been cancelled or terminated in accordance with the terms of the Plan without the Common Shares having been issued will again be available under the Plan and the Restricted Share Unit Plan.

Notwithstanding anything in this Deferred Share Unit Plan,

- (a) the maximum number of Common Shares issuable to insiders, at any time, under this Deferred Share Unit Plan, together with any other share compensation arrangements of the Corporation, shall be 10% of the Common Shares then issued and outstanding (on a non-diluted basis);
- (b) the maximum number or Common Shares issued to insiders under this Deferred Share Unit Plan, together with any other share compensation arrangements of the Corporation, within any one year period shall be 10% the Common Shares then issued and outstanding (on a non-diluted basis);
- (c) so long as the Corporation is subject to the requirements of the TSXV, the maximum number of Deferred Share Units which may be granted to any one Participant (and companies wholly owned by that Participant), together with grants under any other previously established or proposed share compensation arrangements, within any one year period shall be 5% of the outstanding and issued Common Shares as calculated at the time of the grant (on a non-diluted basis); and
- (d) any Common Shares and Deferred Share Units issued hereunder shall be subject to the Exchange Hold Period (as defined in the applicable policies of the TSXV) where applicable.

Where the Corporation is precluded by this Section 6.02 from issuing Common Shares to Participant, the Corporation will pay to the relevant insider a cash payout in accordance with the terms hereof. For purposes of this Section 6.02, the number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Deferred Share Unit.

SCHEDULE "A"
RHYOLITE RESOURCES LTD.
DEFERRED SHARE UNIT PLAN

THIS ACKNOWLEDGEMENT AND ELECTION FORM MUST BE RETURNED TO RHYOLITE RESOURCES LTD. (THE "CORPORATION") (AT THE EMAIL ADDRESS ●@● BY 5:00 P.M. (VANCOUVER TIME)) BEFORE DECEMBER 31, 20● [OR FOR NEW DIRECTORS: WITHIN 30 DAYS OF ELIGIBILITY TO PARTICIPATE]

ACKNOWLEDGEMENT AND ELECTION FORM

Note: All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Deferred Share Unit Plan of Rhyolite Resources Ltd.

Part A: General

I, _____, acknowledge that:

1. I have received and reviewed a copy of the Deferred Share Unit Plan (the "**Plan**") of the Corporation and agree to be bound by it.
2. The value of a Deferred Share Unit is based on the trading price of a Common Share and is thus not guaranteed. The eventual value of a Deferred Share Unit on the applicable redemption date may be higher or lower than the value of the Deferred Share Unit at the time it was allocated to my account in the Plan.
3. I will be liable for income tax when Deferred Share Units are redeemed in accordance with the Plan. Any cash payments made pursuant to the Plan shall be net of applicable withholding taxes (including, without limitation, applicable source deductions). I understand that the Corporation is making no representation to me regarding taxes applicable to me under this Plan and I will confirm the tax treatment with my own tax advisor.
4. No funds will be set aside to guarantee the redemption of Deferred Share Units or the payment of any other sums due to me under the Plan. Future payments pursuant to the Plan are an unfunded liability recorded on the books of the Corporation. Any rights under the Plan by virtue of a grant of Deferred Share Units shall have no greater priority than the rights of an unsecured creditor.
5. I acknowledge and agree (and shall be conclusively deemed to have so acknowledged and agreed by participating in the Plan) that I shall, at all times, act in strict compliance with the Plan and all applicable laws, including, without limitation, those governing "insiders" of "reporting issuers" as those terms are construed for the purposes of applicable securities laws, regulations and rules.

- 6. I agree to provide the Corporation with all information and undertakings that the Corporation requires in order to administer the Plan and comply with applicable laws.
- 7. I understand that:
 - (a) All capitalized terms shall have the meanings attributed to them under the Plan; and
 - (b) All DSU Payments, if any, will be net of any applicable withholding taxes.

Part B: Director's Retainer

- 8. I am an Eligible Director and I hereby elect irrevocably to have my Elective Entitlement for the 20● calendar year payable as follows:
 - (a) ____ % in Deferred Share Units; and
 - (b) ____ % in cash.

The total amount of A and B must equal 100% of your Elective Entitlement. You must elect in increments of 10% under A and B. The percentage allocated to Deferred Share Units may be limited by the Board of Directors of Rhyolite Resources Ltd. at its discretion.

DATED this ____ day of _____, 20 ____.

Participant Signature

Participant Signature

Date