

CANASIL RESOURCES INC.

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**Annual General and Special Meeting
to be held on July 21, 2026
At 10:30 am**

**Notice of Annual General and Special Meeting
Information Circular**

June 23, 2026

CANASIL RESOURCES INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2026 annual general and special meeting (the “**Meeting**”) of the shareholders of Canasil Resources Inc. (the “**Company**”) will be held in person, and in a virtual format conducted by telephone conference, at the Company’s offices at Suite 1500 – 701 West Georgia Street, Vancouver, BC, V7Y 1G5 on Tuesday, July 21, 2026 at 10:30 a.m. (Vancouver time).

The Meeting will be held for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2025 and 2024, together with the auditor’s report thereon;
2. to fix the number of directors at three;
3. to elect directors for the ensuing year;
4. to appoint DeVisser Gray LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
5. to consider and, if thought fit, to pass with or without variation, an ordinary resolution approving the Company’s stock option plan, all as more particularly described in the accompanying management information circular; and
6. to consider and, if thought fit, to pass, with or without variation, a special resolution, the full text of which is set forth in the Circular (as defined herein), approving a change of name of the Company to “Canadian Silver Corp.”; and
7. to consider and transact such other business as may properly be brought before the Meeting.

The details of all matters proposed to be put before the shareholders of the Company (“**Shareholders**”) at the Meeting are set forth in the Information Circular of the Company (“**Circular**”) accompanying this Notice of the Meeting. The record date for determination of the Shareholders entitled to receive Notice of and to vote at the Meeting is June 12, 2026 (the “**Record Date**”). No person who becomes a Shareholder of the Corporation after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof.

Important

As this is a hybrid Meeting, the Shareholders are encouraged to complete, date and sign the enclosed form of proxy and return it to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, by 10:30 a.m. (Vancouver, British Columbia time) on Friday July 17, 2026 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used). Only Shareholders of record at the close of business on the Record Date, will be entitled to vote at the Meeting. **Shareholders will not be able to vote through the conference call. Voting will be conducted exclusively by proxy or in person at the Meeting.**

Details of Telephone Conference:

Toll-free dial in number:	1 (888) 433-2192 (North America)
Dial in number:	1 (778) 945-1044 (International)
Participant code:	0332086

Shareholders will have an equal opportunity to participate at the Meeting regardless of their geographic location. Participants should dial in 5-10 minutes prior to the scheduled start time and ask to join the call.

An information circular and a form of proxy accompany this notice.

DATED at Vancouver, British Columbia, June 23, 2026.

ON BEHALF OF THE BOARD

“Bahman Yamini”

Bahman Yamini
President and Chief Executive Officer

CANASIL RESOURCES INC.

INFORMATION CIRCULAR

(as at June 23, 2026 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of Canasil Resources Inc. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Tuesday, July 21, 2026 (the “**Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

MEETING DETAILS

The Meeting will be held in person at the Company’s offices at Suite 1500 – 701 West Georgia Street, Vancouver, BC, V7Y 1G5 and in a virtual format conducted via telephone conference commencing at 10:30 a.m. (Vancouver time) for the purposes set forth in the accompanying notice of Meeting (the “**Notice of Meeting**”).

Details of Telephone Conference:

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Dial in number:	1 (778) 945-1044 (International)
Participant code:	0332086

Shareholders will have an equal opportunity to participate at the Meeting regardless of their geographic location. Participants should dial in 5-10 minutes prior to the scheduled start time and ask to join the Meeting. **Shareholders will not be able to vote through the conference call. Voting will be conducted exclusively by proxy or in person at the meeting.**

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:30 a.m. (local time in Vancouver, British Columbia) on Friday, July 17, 2026, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above; or
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time

up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy, including the election of directors, the appointment of the auditor, the approval of the Company's stock option plan and the Company's name change, as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the Management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

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. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder's name. 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 shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder 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 instrument 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 Company. 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 ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs

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 VIF cannot use that form to vote common shares directly at the Meeting. The VIFs 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.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:30 a.m. (Vancouver time) on the day which is at least three business days prior to the Meeting. **If you are a Beneficial Shareholder, you should carefully follow the instructions of your Intermediary in order to submit the voting instructions for your Common Shares, including those regarding when and where the completed VIF or proxy form (as applicable) is to be delivered.**

Your Intermediary may have also provided you with the option of voting by telephone or fax or through the internet. Your Intermediary must receive your voting instructions in sufficient time for your Intermediary to act on them. We strongly encourage all non-Registered Shareholders to submit their voting instructions to their Intermediary by Friday, July 17, 2026. Computershare must receive proxy vote instructions from your Intermediary by no later than 10:30 a.m. (Vancouver Time) on Friday, July 17, 2026, or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time set for any adjournment or postponement of the Meeting.

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

Financial Statements

The audited consolidated financial statements of the Company for the years ended December 31, 2025 and 2024, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at June 12, 2026, the Company's authorized capital consists of an unlimited number of common shares of which 155,814,280 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at June 12, 2026, are encouraged to complete, date and sign the form of proxy and return it to Computershare Investor Services Inc. as set forth in the accompanying Notice of Meeting. **Shareholders will not be able to vote through the conference call.**

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company.

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at three.

Pursuant to the advance notice policy adopted by the Board of Directors (the “**Board**”) on March 19, 2014, any additional director nominations for the Meeting must have been received by the Company in compliance with the advance notice policy no later than the close of business on **June 22, 2026**. As of **June 19, 2026**, no such nominations were received by the Company.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Bahman Yamini ⁽²⁾⁽³⁾ British Columbia, Canada <i>President, CEO and Director</i>	President and CEO of the Company since May 14, 2002.	January 1994	8,543,207
Alvin W. Jackson ⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	Director and VP Exploration and Development of Freegold Ventures Ltd. since March 2010, Director of Finlay Minerals Ltd., Evergold Corp., and KO Gold Corp.	April 2002	1,614,424
Gary D. Nordin ⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	President, Discovery Resource Corp. since October 2008, Director of Orestone Mining Corp.	2003-2015 February 2025	100,000 ⁽⁴⁾

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.
- (3) A member of the compensation committee.
- (4) Held indirectly through Discovery Resource Corp.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

On May 3, 2023, the British Columbia Securities Commission (the “BCSC”) granted a voluntary management cease trade order (the “MCTO”) under National Policy 12-203 *Management Cease Trade Orders* against Mr. Yamini in his capacity as Chief Executive Officer of the Company, and Kerry Spong in his capacity as Chief Financial Officer of the Company, for the Company’s delay in filing its audited financial statements for the financial year ended December 31, 2022, and the management’s discussion and analysis (MD&A) and related certifications of interim filings for this period before the May 1, 2023 filing deadline. The required filings were completed and the MCTO was lifted on June 26, 2023.

On December 5, 2023, the BCSC issued a Cease Trade Order (the “CTO”) for failure to file the Company’s interim financial report for the period ended September 30, 2023, and associated MD&A and certification of interim filing for the same periods. The Company subsequently filed its audited financial statements for years ended December 31, 2023 and 2024, and the associated MD&A and certification of annual filings on May 28, 2024, and filed its interim financial report for the period ended March 31, 2025, and associated MD&A and certification of interim filings on June 10, 2023. On June 11, 2023, the Company filed an application with the BCSC for revocation of the CTO and re-instatement for trading, which was granted on September 5, 2025, with full revocation of the CTO. The Company then applied to the TSX Venture Exchange, and this was approved on September 25, 2025, with full resumption of trading on the TSX-NEX Exchange. The Company also applied for reinstatement of trading on the TSX-Venture Exchange Tier 2 and this was granted on February 9, 2026.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation - Venture Issuers*. For the purposes of this Circular:

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

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer, other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6-V - *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed that financial year.

Based on the foregoing definition, during the last completed financial year of the Company, the Company had two NEOs, being Bahman Yamini, the President and CEO of the Company and Dave Cross, the CFO of the Company.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, excluding compensation securities, to each NEO and director, in any capacity, for the completed financial years ended December 31, 2024 and 2025.

Table of compensation excluding compensation securities							
Name and position	Year (Dec. 31)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Bahman Yamini ⁽¹⁾⁽⁶⁾ <i>CEO, President and Director</i>	2025	225,000	Nil	Nil	Nil	Nil	225,000
	2024	75,000	Nil	Nil	Nil	Nil	75,000
David Cross ⁽⁷⁾ <i>CFO</i>	2025	50,000	Nil	Nil	Nil	Nil	50,000
Alvin W. Jackson ⁽³⁾⁽⁶⁾ <i>Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year (Dec. 31)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Gary D. Nordin <i>Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
Kerry Spong ⁽²⁾ <i>Former CFO and VP Finance Vice-President, Finance</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
Michael D. McInnis ⁽⁴⁾⁽⁶⁾ <i>Former Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
Arthur Freeze ⁽⁵⁾⁽⁶⁾ <i>Former Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- 1) Bahman Yamini was appointed CEO and President of the Company on May 14, 2002 and director of the Company on January 3, 1994.
- 2) Kerry Spong was appointed CFO and Vice President, Finance of the Company on October 27, 2006, and resigned August 8, 2024.
- 3) Alvin W. Jackson was appointed director of the Company on April 8, 2002.
- 4) Michael D. McInnis was appointed director of the Company on October 29, 2003, and resigned August 8, 2024.
- 5) Arthur Freeze was appointed director of the Company on March 26, 2007, and resigned August 8, 2024.
- 6) Directors are compensated through the grant of stock options.
- 7) David Cross, was appointed CFO of the Company on February 28, 2025, Compensation is paid to an accounting firm in which the CFO has an interest.
- 8) Gary Nordin, a current director, was appointed as a director of the Company on February 28, 2025 and did not receive any compensation during the financial years ended December 31, 2023 and 2024.

External management companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Options and Other Compensation Securities

The Company did not grant or issue any compensation securities to any NEO or director for services provided or to be provided, directly or indirectly during the most recently completed financial year.

The Company did not re-price, cancel and replace, or materially modify any compensation securities during the most recently completed financial year, nor did any directors and NEOs exercise any stock options.

Exercise of Compensation Securities by NEOs and Directors

No compensation securities were exercised by directors and NEOs of the Company during the most recently completed financial year.

Stock Option Plan

The following information is intended as a brief description of the Company's stock option plan (the "**Stock Option Plan**") and is qualified in its entirety by the full text of the Stock Option Plan, which is attached to this Circular as Schedule "B" and will be available for review at the Meeting. The Stock Option Plan was previously approved by shareholders of the Company on August 7, 2025. The shareholders of the Company are being asked at the Meeting to confirm the Company's Stock Option Plan, as required annually by the policies of the TSX venture Exchange ("**TSX-V**" or the "**Exchange**"). See "Particulars of Matters to be acted Upon – Confirming Stock Option Plan". The Stock Option Plan is consistent with the requirements of the TSXV and provides as follows:

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding share capital of the Company, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the Discounted Market Price (as defined in the policies of the TSXV), provided that the price shall not be less than \$0.05.
2. The Board shall not grant options to any one person in any 12-month period, unless the requisite disinterested shareholder approval has been received, which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to investor relations service providers, in each case which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding ten years from the date on which the Board grants and announces the granting of the option.
4. If the option holder ceases to be a director, officer, employee or consultant of the Company (other than by reason of death), as the case may be, then the option granted shall expire 90 days from the date on which the option holder ceases to be a director, officer, employee or consultant, unless otherwise specified in the grant, provided that no option shall continue in effect for more than 12 months following the date on which such persons ceases to be in that role.
5. Stock options granted to persons performing investor relations services must vest in stages over a minimum of 12 months with no more than $\frac{1}{4}$ of the stock options vesting in any three-month period.

The Company's Stock Option Plan is intended to emphasize Management's commitment to the growth of the Company and the enhancement of shareholders' equity through, for example, improvements in its resource base and share price increments.

At the Meeting, Shareholders will be asked to consider and approve the Stock Option Plan, which will be subject to the acceptance of the Exchange. For further details, see "*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan*".

Employment, consulting and management agreements

The following is a summary of the terms of employment, consulting and management agreements of the Company's directors and NEOs during the most recently completed financial year.

There have been no changes to the Yamini Agreement (as defined below), however Mr. Yamini voluntarily reduced his compensation (per the “Table of compensation excluding compensation securities” above) as an interim measure due to the Company’s limited financial resources. The Spong Agreement (as defined below), expired on August 8, 2024, with Mr. Spong’s resignation.

Bahman Yamini – CEO, President and Director

The Company entered into an employment agreement with Bahman Yamini in January 2016, pursuant to which Mr. Yamini was engaged to act as the Company’s President and CEO (the “**Yamini Agreement**”) for a monthly salary of \$12,500. In December 2016, the Yamini Agreement was amended to increase the monthly salary to \$18,750. The Yamini Agreement shall continue indefinitely until terminated in writing by the Company or Mr. Yamini in accordance with the terms of the Yamini Agreement.

Under the Yamini Agreement, Mr. Yamini’s employment can be terminated by the Company at any time by providing Mr. Yamini with 24 months of his monthly salary. In the event the Company, or any successor company, terminates the agreement within one year of a “Change of Control” (as defined in the Yamini Agreement), the Company must pay Mr. Yamini an amount equal to 24 months’ of his monthly salary and all options currently held by Mr. Yamini will vest immediately. The Company can terminate the Yamini Agreement at any time for cause.

Kerry Spong – Former CFO and Vice President, Finance

The Company entered into a management contract with Kerry Spong in January 2016, pursuant to which Mr. Spong was engaged to provide certain financial services to the Company (the “**Spong Agreement**”). On August 8, 2024, Mr. Spong resigned from his position and the agreement is no longer in effect.

Other than as disclosed above, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company, or a change in an NEOs responsibilities.

Oversight and description of director and named executive officer compensation

The Company currently has a Compensation Committee (the “**Committee**”) consisting of Alvin Jackson, Gary Nordin and Bahman Yamini, two of which are independent members. Mr. Yamini is not independent as he is the CEO and President of the Company. The Company’s compensation policies and programs are designed to be competitive with similar mining companies and to recognize and reward executive performance consistent with the success of the Company’s business. These policies and programs are intended to attract and retain capable and experienced people. The Committee’s role and philosophy is to ensure that the Company’s compensation goals and objectives, as applied to the actual compensation paid to the Company’s CEO and other executive officers, are aligned with the Company’s overall business objectives and with shareholder interests.

Compensation of the CEO and CFO

Compensation matters are currently determined by the entire Board. The Board is responsible for reviewing the compensation plans and severance arrangements for management, to ensure they are commensurate with comparable companies. There are currently no specific elements or performance criteria tied to the compensation of the CEO or CFO. The Board will ensure that the Company has a plan for continuity of its officers and a compensation plan that is motivational and competitive.

During 2023 and 2024, the CEO voluntarily took a temporary reduction in salary to \$150,000 in 2023 and to \$75,000 in 2024, in light of the limited financial resources of the Company.

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The CEO and CFO are regularly assessed regarding their effectiveness and contribution. The assessment considers the applicable position descriptions as well as the competencies and skills each individual is expected to possess.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	1,500,000	\$0.15	12,881,428
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	1,500,000	\$0.11	12,881,428

PENSION PLAN BENEFITS

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

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

Auditor

Management intends to nominate De Visser Gray LLP, Chartered Professional Accountants, of Vancouver, British Columbia, for appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of De Visser Gray LLP, Chartered Professional Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

No Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

AUDIT COMMITTEE

The Company is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

Composition of Audit Committee and Independence

The Company's current Audit Committee consists of Alvin Jackson, Gary Nordin and Bahman Yamini, with Mr. Jackson being the Chair of the Audit Committee. The majority of the Audit Committee members are independent.

National Instrument 52-110 - *Audit Committees* ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Of the Company's current Audit Committee members, Mr. Jackson and Mr. Nordin are considered "independent" within the meaning of NI 52-110. Mr. Yamini is not "independent" as he is the CEO and President of the Company.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Alvin Jackson – Mr. Jackson has over 30 years of experience as an exploration geologist and mining executive and is highly recognized for his accomplishments with senior mining companies such as Cyprus Minerals and Eurozinc Mining as well as several successful junior exploration companies. He serves as a Director and VP Exploration and Development of Freegold Ventures Limited and a Director Finlay Minerals Ltd.

Gary Nordin – Mr. Nordin has over 30 years of experience as an exploration geologist and mining executive and is highly recognized for his roles with senior mining companies such as Bema Gold and Eldorado Gold as well as several successful junior exploration companies. He is a Director of Orestone Mining Corp.

Bahman Yamini – Mr. Yamini has served as a Director and President & CEO of Canasil since 2002; his primary focus is Canasil's development strategy and operations, project acquisition agreements and the Company's cooperation agreements with joint venture partners.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-Audit Services) of NI 52-110, which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-

approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Company;

- (b) the exemption in subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;
- (d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to De Visser Gray LLP, Chartered Professional Accountants, for services rendered in the last two fiscal years:

	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	33,000	Nil
Audit related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	Nil	Nil
All other fees ⁽⁴⁾	<u>Nil</u>	Nil
Total	<u>33,000</u>	<u>Nil</u>

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Exemption in Section 6.1

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

Board of Directors

Management is nominating three individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Bahman Yamini, who is the President and CEO of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and Compensation Committee and the chairperson of each committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over Management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the “**Act**”), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees.

Directorships

The following directors of the Company are also directors of other reporting issuers as stated:

- Alvin Jackson is a Director of Freegold Ventures Ltd., Finlay Minerals Ltd., Evergold Corp., and KO Gold Corp.; and
- Gary Nordin is a Director of Orestone Mining Corp. And Pima Zinc Corp.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information; and
3. access to management and technical experts and consultants.

Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

While the Board has not adopted a written code of business conduct and ethics, the Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

Nomination of Directors

It is the view of the Board that all directors, individually and collectively, should assume responsibility for nominating directors. The Board is responsible for identifying and recommending potential nominees for directorship and senior management. The Board will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation Committee

The Compensation Committee is a committee comprised of three directors whose primary purpose is to enable the Company to recruit, retain and motivate employees and ensure conformity between compensation and other corporate objectives and review and recommend for Board consideration, all compensation packages, both present and future, for the Company's Management and directors (including annual retainer, meeting fees, bonuses and option grants) including any severance packages. A majority of the members shall not be officers or employees of the Company and shall be unrelated, independent directors.

Members of the Compensation Committee shall be appointed or reappointed at the meeting of the Board following the Company's annual general meeting and from among the appointees to the Compensation Committee, the Board shall appoint a chairperson (the "**Compensation Committee Chairperson**"). The duties of the Compensation Committee Chairperson include overseeing the proper functioning of the Compensation Committee to ensure the proper discharge of its duties, to schedule meetings and to ensure timely reporting to the Board.

The Compensation Committee will meet as often as may be necessary or appropriate in its judgment.

In exercising its mandate, the Compensation Committee sets the standards for the compensation of directors, employees and officers based on industry data and with the goal to attract, retain and motivate key persons to ensure the long term success of the Company. Compensation generally includes the three (3) following components: base salary, annual bonus based on performance and grant of stock options. The Compensation Committee takes into account the context of its activities and increased competition in the market for its key personnel while also taking into account the performance and objectives set forth for the Company.

The Compensation Committee is accountable to the Board and reports to the Board at its next regular meeting all deliberations and actions it has taken since any previous report. Minutes of Compensation Committee meetings will be available for review by any member of the Board on request to the Compensation Committee Chairperson.

The members of the Compensation Committee are Gary Nordin, Alvin Jackson and Bahman Yamini, with Mr. Nordin acting as Chair of the Compensation Committee. The majority of the members of the Compensation Committee are independent.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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

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

PARTICULARS OF MATTERS TO BE ACTED UPON

Confirming Amended Stock Option Plan

In accordance with the policies of the Exchange, a rolling ten percent (10%) plan must be confirmed by the Shareholders on a yearly basis at the annual Meeting of Shareholders.

The Board approved the Stock Option Plan effective May 26, 2023. On June 25, 2025 the Board approved certain amendments to the Stock Option Plan (the “**Amended Plan**” or the “**Amended Option Plan**”), as follows: (a) that the Committee ensures the Company complies with the Policies of the TSX Venture Exchange and the NEX Policy, as applicable, with respect to all grants of Options; and (b) if the Company is listed on the NEX Board, it may not maintain any contracts or arrangements for the provision of Investor Relations Activities and is not permitted to engage any Investor Relations Service Providers.

On June 27, 2025, the TSXV conditionally approved the Amended Plan, and the Shareholders approved the Amended Plan at the annual general and special Meeting held on August 7, 2025.

The following information is intended as a brief description of the Amended Plan, which is qualified in its entirety by the full text of the Amended Plan, which is attached to this Circular as Schedule “B” and will be available for review at the Meeting (capitalized terms not otherwise defined herein have the meanings given to such terms in the Stock Option Plan):

1. Options may be granted to a *bona fide* Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company of the Company.
2. The maximum aggregate number of common shares for which Options may be granted, when combined with the aggregate number of common shares issuable pursuant to all other Security Based Compensation Plans of the Company, will not exceed 10% of the issued and outstanding common shares at the time that an Option is granted (subject to the adjustment provisions under the Amended Plan).
3. The maximum aggregate number of common shares for which Options may be granted, together with the aggregate number of common shares that are issuable pursuant to all other Security Based Compensation granted or issued by the Issuer, in any 12 month period to any one Consultant must not exceed 2% of the common shares, calculated as at the date any Option is granted to the Consultant.
4. Unless the Company has obtained the requisite disinterested shareholder approval in accordance with the policies of the Exchange, the maximum aggregate number of common shares for which options may be granted, when combined with the number of common shares issuable pursuant to all other security based compensation granted or issued by the Company, in each case to:
 - (a) any one person (and, where permitted under the Amended Plan, any companies that are wholly owned by that person) in any 12 month period must not exceed 5% of the issued and outstanding common shares, calculated as at the date of grant; and
 - (b) Insiders (as a group), must not exceed 10% of the issued and outstanding common shares either (i) within any 12 month period, calculated as at the date of grant, or (ii) at any point in time.

5. The maximum aggregate number of common shares for which Options may be granted, together with the aggregate number of common shares that are issuable pursuant to all other Security Based Compensation granted or issued by the Issuer, in any 12 month period to all Investor Relations Service Providers in aggregate must not exceed 2% of the common shares, calculated as at the date any Option is granted to any such Investor Relations Service Provider. No type of security based compensation other than options may be granted or issued to Investor Relations Service Providers. Notwithstanding the foregoing, if the Company is listed on the NEX Board, it may not maintain any contracts or arrangements for the provision of Investor Relations Activities and is not permitted to engage any Investor Relations Service Providers
6. The Amended Plan will be administered by a committee (the “**Committee**”) of the Board. The Committee may from time to time at its discretion, subject to the provisions of the Amended Plan, determine those eligible individuals to whom options will be granted, the number of common shares subject to such options, the dates on which such options are to be granted, the term of such options, and any additional terms and conditions applicable to such options; provided, however, that (i) the exercise price of an option will not be less than the Discounted Market Price and be subject to a minimum exercise price of \$0.05 per share, and (ii) the maximum term of any option will be 10 years. For greater certainty, the Committee will ensure that the Company will comply with the Exchange Policies and the NEX Policy, as applicable, with respect to all grants of Options.
7. Options granted to any Investor Relations Service Provider must vest in stages over a period of at least 12 months such that: (a) no more than $\frac{1}{4}$ of the options vest no sooner than three months after the date of grant; (b) no more than another $\frac{1}{4}$ of the options vest no sooner than six months after the date of grant; (c) no more than another $\frac{1}{4}$ of the options vest no sooner than nine months after the date of grant; and (d) the remainder of the options vest no sooner than 12 months after the date of grant.
8. An option granted to a person who is a Director, Officer, Employee, Consultant or Management Company Employee will expire 90 days from the date the Optionee ceases to be in that role, unless otherwise specified in the grant, provided that no option will continue in effect for more than 12 months following the date on which such person ceases to be in that role. A change of employment will not be considered a termination so long as the Optionee continues to be employed by the Company or its subsidiaries.
9. An option granted to an Investor Relations Service Provider will expire immediately on the termination of such retainer.
10. If any Optionee shall die holding an option which has not been fully exercised, his personal representative, heirs or legatees may, at any time within one year after the date of such death exercise the option with respect to the unexercised balance of the common shares subject to the option.
11. An option may not be assigned or transferred. During the lifetime of an Optionee, the option may be exercised only by the Optionee.
12. The exercise price of an option must be paid in full in cash at the time of exercise of the option.
13. In the event of any consolidation or subdivision, options will be adjusted and the Optionees will have the benefit, subject to the prior acceptance of the Exchange in accordance with the policies of the Exchange, of any stock dividend declared during the period within which the Optionee held his option. In the event of an amalgamation or merger with any other company, whether by way of

arrangement, sale of assets and undertakings or otherwise, then, subject to the prior acceptance of the Exchange in accordance with the policies of the Exchange, the number of shares of the resulting corporation to which an option relates will be correspondingly adjusted, as applicable.

14. The Company may impose trading blackouts during which Directors, Officers, Consultants or Employees may not trade in the securities of the Company (a “**Blackout Period**”). If a trading blackout is imposed, subject to the terms of the blackout and the Company’s blackout policy, Optionees may not exercise Options until expiry of the Blackout Period. As a result, the term of any Option that would otherwise expire during a Blackout Period will be extended by 10 trading days following the expiry of such Blackout Period, provided the requirements set out under the Amended Plan are satisfied.
15. In addition to any resale restrictions required under any applicable law, if the exercise price of an option is set at a discount to the Market Price or if otherwise required by the policies of the Exchange, including in the case of options granted to Insiders if and as required by the policies of the Exchange, a four month hold period will apply, and all such options and any common shares issued on the exercise of options prior to the expiry of such hold period will bear a legend to that effect, in accordance with the policies of the Exchange.
16. Common shares subject to but not issued or delivered under an option which expires or terminates will again be available for option under the Amended Plan.
17. The Committee may, with the consent of the Optionee, cancel an existing option, in accordance with the policies of the Exchange.
18. Subject to any applicable regulatory and Exchange approval and, if required by any relevant law, rule, policy or regulation applicable to the Amended Plan, to Shareholder approval or disinterested Shareholder approval, as the case may be, the Board may alter, suspend or discontinue the Amended Option Plan, but for clarity, may not, without the approval of the Shareholders, make any alteration which would increase the aggregate number of common shares subject to option under the Amended Option Plan or decrease the exercise price of an option (except, in each case, pursuant to the adjustment provisions under the Amended Option Plan). Further, the Company must obtain disinterested Shareholder approval in accordance with the policies of the Exchange for any amendment to decrease the exercise price of an option or extend the term of an option if the Optionee is an Insider of the Company at the time of the proposed amendment.

Shareholders will be asked at the Meeting to consider, and if thought fit, to approve, with or without amendment, an ordinary resolution approving the Stock Option Plan, as follows:

“IT IS RESOLVED as an ordinary resolution that:

1. the Stock Option Plan of Canasil Resources Inc. (the “**Company**”), as substantially described in, and attached to, the management information circular of the Company dated June 23, 2026, (the “**Circular**”), as amended, (the “**Amended Plan**”), be and is hereby authorized and approved;
2. the Board of Directors of the Company be and is hereby authorized to grant stock options under and subject to the terms and conditions of the Amended Plan and such stock options may be exercised to purchase up to a maximum of 10% of the issued and outstanding common shares of the Company;

3. the Board of Directors of the Company be authorized to make any changes to the Amended Plan as may be required or permitted by any regulatory authority or stock exchange on which the securities of the Company are listed for trading, upon the terms and conditions of the Amended Plan; and
4. any one director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

The Board recommends that Shareholders vote in favour of the approval of the Amended Plan. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE AMENDED PLAN.

Name Change of the Company

The Shareholders of the Company have on multiple occasions requested that the Company’s name be changed to incorporate the word “Silver” because of the Company’s silver exploration properties in Durango and Zacatecas States, Mexico and in BC, Canada. Many silver focused exploration companies have found this to be beneficial. Accordingly, the Company intends to change its name (“**Name Change**”) to “Canadian Silver Corp.”, subject to the applicable regulatory approvals. The name “Canadian Silver Corp.” is available and has been reserved by the Company. The Company to may continue using the short form ‘Canasil’ for reference even after the Name Change.

The Shareholders will be asked to consider and, if thought fit, to pass, with or without variation, a special resolution authorizing the amendment of the articles of the Company to effect the Name Change. The amendment to the articles of the Company to effect the Name Change must be approved by special resolution in order to become effective. To pass, a special resolution requires the affirmative vote of not less than two-thirds (2/3) of the votes cast by the holders of Common Shares present at the Meeting in person or by proxy. Shareholders are urged to vote in favour of this special resolution.

The company’s trading symbol and CUSIP /ISIN numbers will not change as a result of the name change.

The complete text of the special resolution which management intends to place before the Meeting authorizing the Name Change is as follows:

“BE IT RESOLVED as a special resolution that:

1. The Company is hereby authorized to change its name from "**Canasil Resources Inc.**" to "**Canadian Silver Corp.**", or such other name as may be approved by the directors of the Company and accepted by the Registrar of Companies (British Columbia) and the TSX Venture Exchange.
2. The directors and officers of the Company be and are hereby authorized and directed to take all such steps and execute all such documents as may be necessary or desirable to give effect to the foregoing resolution, including, without limitation:
 - (a) filing a Notice of Alteration and any other required documents with the Registrar of Companies (British Columbia);

(b) obtaining all necessary approvals from the TSX Venture Exchange and any other regulatory authority having jurisdiction; and

(c) making such amendments to the records of the Company as may be required in connection with the change of name.

3. Any director or officer of the Company is authorized to determine, in such person's sole discretion, whether to proceed with the change of name and, if proceeding, to settle the final form of all documents and to do all acts and things necessary or desirable to carry out the intent of this resolution.

The Board recommends that Shareholders vote in favour of the Name Change. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE NAME CHANGE, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST THIS NAME CHANGE RESOLUTION

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2024 and 2025, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR+ profile at www.sedarplus.ca. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at:

Canasil Resources Inc.
Telephone: 604 708-3788

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 23rd day of June, 2026.

ON BEHALF OF THE BOARD

"Bahman Yamini"

Bahman Yamini
President and Chief Executive Officer

CANASIL RESOURCES INC.

SCHEDULE "A"
CHARTER OF THE AUDIT COMMITTEE

1. Purpose

The purpose of the Audit Committee (the "Committee") is to act as the representative of the Board of Directors in carrying out its oversight responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the internal controls and disclosure controls of the Company;
- (d) the performance of the Company's internal audit function;
- (e) the qualifications, independence and performance of the Company's auditor.

2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

3. Composition and Expertise

The Committee shall consist of a minimum of three directors, all of whom are "independent" within the meaning of National Instrument 52-110, Audit Committees, for so long as the Company is a "venture issuer", as defined therein.

The Committee shall be appointed annually by the Board of Directors immediately following the Annual General Meeting ("AGM") of the Company. Each member of the Committee shall be financially literate, meaning that he or she must be able to read and understand financial statements. Committee members hold office until the next AGM or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

4. Meetings

The Committee shall meet at least four times a year to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of time and place of every meeting shall be given in writing to each member of the Committee at least 24 hours prior to the time fixed for such meeting.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

5. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

In addition, the Committee shall review and reassess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. Such report to the Board may take the form of an oral report by the Chair or circulating copies of the minutes of each meeting held.

7. Responsibilities

The Committee's duty is to monitor and oversee the operations of the Management and the auditor. Management is responsible for establishing and following the internal controls, financing reporting processes and for compliance with applicable laws and regulations. The auditor is responsible for performing an independent audit of the Company's financial statements in accordance with generally accepted auditing standards, and for issuing its report on the statements.

The specific duties of the Committee are as follows:

- Recommending the appointment and the compensation of the auditor (the "Auditor") to the Board;
- Engaging, at the Company's expenses, independent counsel and other advisors as it determines necessary to carry out its duties;
- Reviewing the scope and approach of the annual audit;
- Overseeing the work of the Auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between Management and the Auditor regarding financial reporting;
- Reviewing the independence of the Auditor on an annual basis;
- Discussing with the Auditor the quality and the acceptability of the generally accepted accounting principles applied by Management;
- Reviewing and evaluating the status and adequacy of the Company's internal controls and internal information systems;
- Reviewing and discussing the Company's quarterly financial statements and the Management's Discussions and Analysis ("MD&A") with Management;

- Reviewing and discussing the annual financial statements and the MD&A with Management and Auditor;
- Recommending to the Board whether the quarterly or annual financial statements and the related MD&A should be accepted, filed with the securities regulatory bodies and publicly disclosed.
- Discussing with Management and the Auditor the Company's policies with respect to risk assessment and risk management.

Reviewing with Auditor any audit problems or other difficulties encountered by the auditor in the course of the audit process, including any restrictions on the scope of the auditor's activities or on access to requested information, and any significant disagreements with management and management's responses to such matters.

CANASIL RESOURCES INC.

SCHEDULE "B"
AMENDED STOCK OPTION PLAN

See attached.

CANASIL RESOURCES INC.

**STOCK OPTION PLAN
(Tier 2 Issuer, Rolling 10%)**

As amended and restated effective May 26, 2023 and further amended on June 26, 2025

Purpose

1.1 The purpose of the Incentive Stock Option Plan (the “**Plan**”) is to promote the profitability and growth of **Canasil Resources Inc.** (the “**Issuer**”) or a subsidiary thereof by facilitating the efforts of the Issuer and its subsidiaries to obtain and retain key individuals. The Plan provides an incentive for and encourages ownership of the Issuer's shares by its key individuals so that they may increase their stake in the Issuer and benefit from increases in the value of the Issuer's shares.

1.2 The defined term “subsidiaries” for the purpose of the Plan may be varied by the Committee to conform to the changing interests of the Company.

1.3 Capitalized terms used in this Plan and not otherwise defined have the meanings ascribed to them in the policies (the “**Exchange Policies**”) of the TSX Venture Exchange (the “**Exchange**”).

2. Administration

2.1 The Plan will be administered by a committee (the “**Committee**”) of the Issuer's Board of Directors (the “**Board**”).

2.2 The Committee will be authorized, subject to the provisions of the Plan, to adopt such rules and regulations as it deems consistent with the Plan's provisions and, in its sole discretion, to designate options (“**Options**”) to purchase shares of the Issuer pursuant to the Plan. The Committee may authorize one or more individuals of the Issuer to execute, deliver and receive documents on behalf of the Committee. For greater certainty, the Committee will ensure that the Company will comply with the Exchange Policies and the NEX Policy, as applicable, with respect to all grants of Options.

3. Eligibility

3.1 Each person (an “**Optionee**”) who is a bona fide “Consultant”, “Consultant Company”, a “Director”, “Officer”, an “Employee” or a “Management Company Employee” in relation to the Issuer (as those terms are defined in Policy 4.4 – *Security Based Compensation* of the Exchange Policies) is eligible to be granted one or more Options.

3.2 For Options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

3.3 Except in relation to a Consultant Company, an Option may be granted only to an individual or to a company that is wholly owned by an individual eligible for an Option grant. If the Optionee is a company, excluding an Optionee that is a Consultant Company, it must provide the Exchange with a completed certification and undertaking in the prescribed form in accordance with the Exchange Policies. Any company to be granted an Option, other than a Consultant Company must agree not to effect or permit any transfer of ownership or option of securities of the company nor to issue further shares of any class in the company to any other individual or entity as long as the Option remains outstanding, except with the prior written consent of the Exchange.

3.2 Nothing in the Plan or in any Option shall confer any right on any individual to continue in the employ of or association with the Issuer or its subsidiaries or will interfere in any way with the right of the Issuer or subsidiaries to terminate at any time the employment of a person who is an Optionee.

3.3 The Committee may from time to time at its discretion, subject to the provisions of the Plan, determine those eligible individuals to whom Options will be granted, the number of Shares subject to such Options, the dates on which such Options are to be granted and the term of such Options.

3.4 The Committee may, at its discretion, with respect to any Option, impose additional terms and conditions which are more restrictive on the Optionee than those provided for in the Plan.

4. General Provisions

4.1 The shares to be optioned under the Plan will be authorized but unissued common shares without par value of the Issuer (the “Shares”).

4.2 The maximum aggregate number of Shares for which Options may be granted, when combined with the aggregate number of Shares issuable pursuant to all other Security Based Compensation Plans of the Company, will not exceed 10% of the issued and outstanding Shares at the time that an Option is granted, subject to adjustment under Section 8 below.

4.3 Shares subject to but not issued or delivered under an Option which expires or terminates shall again be available for option under the Plan.

4.4 Unless the Issuer has obtained the requisite disinterested Shareholder approval in accordance with the Exchange Policies, the maximum aggregate number of Shares for which Options may be granted, together with the aggregate number of Shares that are issuable pursuant to all other Security Based Compensation granted or issued by the Issuer, in each case to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares either (i) in any 12 month period, calculated as at the date of grant, or (ii) at any point in time.

4.5 Unless the Issuer has obtained the requisite disinterested Shareholder approval in accordance with the Exchange Policies, the maximum aggregate number of Shares for which Options may be granted, together with the aggregate number of Shares that are issuable pursuant to all other Security Based Compensation granted or issued by the Issuer, in any 12 month period to any one person (and where permitted under this Plan, any companies that are wholly owned by that person) must not exceed 5% of the issued Shares, calculated as at the date any Option is granted to the person.

4.6 The maximum aggregate number of Shares for which Options may be granted, together with the aggregate number of Shares that are issuable pursuant to all other Security Based Compensation granted or issued by the Issuer, in any 12 month period to any one Consultant must not exceed 2% of the Shares, calculated as at the date any Option is granted to the Consultant.

4.7 The maximum aggregate number of Shares for which Options may be granted, together with the aggregate number of Shares that are issuable pursuant to all other Security Based Compensation granted or issued by the Issuer, in any 12 month period to all Investor Relations Service Providers in aggregate must not exceed 2% of the Shares, calculated as at the date any Option is granted to any such Investor Relations Service Provider. No type of Security Based Compensation other than Options may be granted or issued to Investor Relations Service Providers. Notwithstanding the foregoing, if the Company is listed on the NEX Board, it may not maintain any contracts or arrangements for the provision of Investor Relations Activities and is not permitted to engage any Investor Relations Service Providers.

4.8 Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months such that:

- (a) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;
- (b) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
- (c) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and
- (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.

Trading of the aforesaid Shares will, through the establishment of appropriate procedures, be monitored by the Issuer's Board of Directors.

4.9 Each Option will be evidenced by:

- (a) a written agreement between, and executed by, the Issuer and the Optionee containing terms and conditions established by the Committee with respect to such Option and which will be consistent with the provisions of the Plan; or
- (b) a certificate executed by the Issuer and delivered to the Optionee setting out the material terms of the Option, with a copy of this Plan attached thereto.

4.10 An Option may not be assigned or transferred. During the lifetime of an Optionee, the Option may be exercised only by the Optionee.

5. Term of Option

5.1 The maximum term of any Option will be 10 years.

5.2 An Option granted to a person who is a Director, Officer, Employee, Consultant or Management Company Employee shall expire 90 days from the date the Optionee ceases to be in that role, unless otherwise specified in the grant, provided that no Option shall continue in effect for more than 12 months following the date on which such person ceases to be in that role.

5.3 An Option granted to a person retained to an Investor Relations Service Provider shall expire immediately on the termination of such retainer.

5.4 The Issuer shall be under no obligation to give an Optionee notice of termination of an Option.

5.5 A change of employment shall not be considered a termination so long as the Optionee continues to be employed by the Issuer or its subsidiaries, if any.

6. Option Price

6.1 The price per Share at which Shares may be purchased upon the exercise of an Option (the "**Option Price**") must not be less than the Discounted Market Price, provided that the Option Price shall not be less than \$0.05 per Share.

6.2 The Option Price must be paid in full in cash at the time of exercise of the Option and no Shares

will be issued and delivered until full payment is made.

6.3 An Optionee will not be deemed the holder of, and shall not have any rights as a shareholder of the Issuer (“**Shareholder**”) with respect to any Shares subject to the Optionee’s Option until the Shares are delivered to the Optionee.

7. **Death**

7.1 Notwithstanding any other provision of this Plan, if any Optionee shall die holding an Option which has not been fully exercised, his personal representative, heirs or legatees may, at any time within one year after the date of such death (notwithstanding the normal expiry date of the Option under the provisions of Section 5 hereof) exercise the Option with respect to the unexercised balance of the Shares subject to the Option.

8. **Changes in Shares**

8.1 In the event the Shares of the Issuer are consolidated into a lesser number of Shares or subdivided into a greater number of Shares, the number of Shares for which Options are outstanding will be decreased or increased proportionately as the case may be and the Option Price will be adjusted accordingly and the Optionees will have the benefit, subject to the prior acceptance of the Exchange in accordance with the Exchange Policies, of any stock dividend declared during the period within which the said Optionee held his Option. Should the Issuer amalgamate or merge with any other company or companies (the right to do so being hereby expressly reserved) whether by way of arrangement, sale of assets and undertakings or otherwise, then and in each such case, subject to the prior acceptance of the Exchange in accordance with the Exchange Policies, the number of shares of the resulting corporation to which an Option relates will be determined as if the Option had been fully exercised prior to the effective date of the amalgamation or merger and the Option Price will be correspondingly increased or decreased, as applicable.

9. **Blackout Period**

9.1 The Company may from time to time impose trading blackouts during which Directors, Officers, Consultants or Employees may not trade in the securities of the Company (a “**Blackout Period**”). If a trading blackout is imposed, subject to the terms of the blackout and the Company’s blackout policy, Optionees may not exercise Options until expiry of the Blackout Period.

9.2 As a result of the foregoing limitation, the term of any Option that would otherwise expire during a Blackout Period will be extended by 10 trading days following the expiry of such Blackout Period (the “**Extension Period**”), provided that the following requirements are satisfied:

(a) the Blackout Period must be formally imposed by the Company pursuant to its internal trading policies. For greater certainty, in the absence of the Company formally imposing a Blackout Period, the expiry date of any Options will not be automatically extended;

(b) the Blackout Period must expire following the general disclosure of the undisclosed Material Information; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Extension Period to enable the exercise of such Option within 10 trading days following the end of the last imposed Blackout Period; and

(c) the automatic extension of an Optionee’s Options will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company’s securities.

10. Cancellation of Options

10.1 The Committee may, with the consent of the Optionee, cancel an existing Option, in accordance with the Exchange Policies.

11. Amendment or Discontinuance

11.1 Subject to any applicable regulatory and Exchange approval and, if required by any relevant law, rule, policy or regulation applicable to this Plan, any Shareholder approval or disinterested Shareholder approval, as the case may be, the Board may alter, suspend or discontinue the Plan, but for clarity, may not, without the approval of the Shareholders, make any alteration which would:

(a) increase the aggregate number of Shares subject to Option under the Plan except as provided in Section 8; or

(b) decrease the Option Price except as provided in Section 8.

Notwithstanding the foregoing, the terms of an existing Option may not be altered, suspended or discontinued without the consent in writing of the Optionee.

12. Disinterested Shareholder Approval

12.1 The Issuer must obtain disinterested Shareholder approval in accordance with the Exchange Policies for any amendment to decrease the Option Price or extend the term of an Option if the Optionee is an Insider of the Issuer at the time of the proposed amendment.

12.2 In circumstances where the Options are exercisable into a class of non-voting or subordinate voting securities, the holders of that class of securities must be given full voting rights on a resolution that requires disinterested Shareholder approval pursuant to the Exchange Policies.

13. Interpretation

13.1 The Plan will be construed according to the laws of the Province of British Columbia.

14. Liability

14.1 No member of the Committee or any director, officer or employee of the Issuer will be personally liable for any act taken or omitted in good faith in connection with the Plan.

15. Hold Period

15.1 In addition to any resale restrictions required under any applicable law, if the exercise price of an Option is set at a discount to the Market Price or if otherwise required by the Exchange Policies, including in the case of Options granted to Insiders if and as required by the Exchange Policies, for so long as the Shares are listed on the Exchange, all Options and any certificates representing any Shares issued on the exercise of Options prior to the expiry of the Exchange Hold Period will bear the legend prescribed by the Exchange Policies pursuant to and in accordance with the Exchange Policies.

16. Effective Date

16.1 This Plan, effective May 26, 2023, as further amended on June 26, 2025, amends the Stock Option Plan approved by the Board on April 4, 2017.

