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# ABCOURT MINES INC.

## MANAGEMENT INFORMATION CIRCULAR ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 10, 2024

October 24, 2024

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### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

This management information circular (the “**Circular**”) is provided in connection with the solicitation by the management of Abcourt Mines Inc. (the “**Corporation**” or “**Abcourt**”) of proxies to be used at the Annual and Special Meeting of shareholders of the Corporation (the “**Meeting**”) to be held on December 10, 2024 and at any adjournment thereof for the purposes set forth in the accompanying Notice of Meeting. The cost of the solicitation will be borne by the Corporation.

The solicitation of proxies will be made by mail and by posting the documents relating to the Meeting on our website at [www.abcourt.ca](http://www.abcourt.ca) or under the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) in accordance with notice and access procedures. Proxies may also be solicited by telephone, email or other personal contacts by directors and officers of the Corporation. They will not receive any additional remuneration for this activity.

#### Notice and Access Notification

The Corporation has decided to use the Notice and Access system adopted by the Canadian securities regulators providing the option to post Meeting relating materials on the website of the Corporation. Under the notice and access system, the Corporation is not required to transmit to its shareholders printed Meeting related documents, being the Circular and annual financial statements and management's discussion and analysis (the “**Meeting Materials**”).

Instead, the Corporation posts an electronic version of the Meeting Materials on its website at [www.abcourt.ca](http://www.abcourt.ca) and under the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). This approach aligns with the Corporation's commitment to environmental management as it results in a reduction in costs and environmental impact that are normally associated with the production and distribution of paper copies of the Meeting Materials in large quantities. In addition, this approach allows shareholders to have rapid access to information about the Corporation.

The Corporation mailed the Notice of Meeting and the proxy, or a voting instruction form, to its shareholders who had received, in the past, a paper copy of the Meeting Materials. Shareholders can consult the Meeting Materials on the Corporation's website at [www.abcourt.ca](http://www.abcourt.ca) and under the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Shareholders may also view the Meeting Materials online on TSX Trust Company' IT portal at <https://docs.tsxtrust.com/2395> and request paper copies of the Meeting Materials by contacting TSX Trust Company at 1-866-600-5869 (no cost in Canada and in United States) or 416-342-1091 (other countries) or [tsxtis@tmx.com](mailto:tsxtis@tmx.com), or with the Corporation at 819-768-2857 or by sending a written request by email to [phamelin@abcourt.com](mailto:phamelin@abcourt.com). Request should be received by November 29, 2024 in order to allow sufficient time for the shareholders to receive paper copies of the Meeting Materials before the prescribed voting

**The Corporation strongly recommends to the shareholders to exam the Meeting Materials before voting.**

## **Appointment or Proxyholder and Revocation of Proxies**

The persons named in the accompanying form of proxy are officers and directors of the Corporation. **However, each shareholder has the right to appoint a person (who need not be a shareholder) other than the persons specified in the form of proxy to attend and act on behalf of that shareholder at the Meeting.** Such right may be exercised by inserting the name of such person in the blank space provided in such form of proxy and depositing the completed proxy with the Corporation's transfer agent, TSX Trust Company, by mail at TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by fax at 416-363-0470 or by mail at [www.voteproxyonline.com](http://www.voteproxyonline.com), not later than 48 business hours prior to the Meeting, or with the Chairman of the Meeting on the day of, but prior to the commencement of the Meeting or any adjourned Meeting. The Chairman of the Meeting may waive this time limit for receipt of proxies by Computershare without notice.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. To be valid, the revocation of a proxy must be deposited with TSX Trust Company, as indicated above, not less than 48 business hours prior to the Meeting, or with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

## **Exercise of Powers Conferred by Proxies**

The persons named in the enclosed form of proxy will exercise or not the voting rights attached to the common shares of the Corporation (the "**Common Shares**") in respect of which they are appointed, in accordance with the direction of the shareholders appointing them on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **Where such a shareholder fails to specify a choice, the persons named in the enclosed form of proxy will vote the Common Shares represented by such proxy FOR each of the matters referred to in this Circular.** With respect to amendments or variations to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting, the designated persons will exercise the voting rights attached to the Common Shares in accordance with their best judgment. As of the date of this Circular, the management of the Corporation is aware of no such amendments, variations or other matters to come before the Meeting.

## **Voting Procedure**

There are three ways for registered shareholders to vote their Common Shares. A shareholder is a registered shareholder if his or her name appears in the records maintained by the Corporation's registrar and transfer agent.

A registered shareholder may: (i) vote in person at the Meeting; (ii) complete and sign the form of proxy and appoint one of the named persons or another person the shareholder chooses to represent him and to vote his shares at the Meeting and mail or fax it; or (iii) vote electronically on the Internet on [www.voteproxyonline.com](http://www.voteproxyonline.com).

If a registered shareholder wishes to attend the Meeting and wishes to vote her or his shares in person at the Meeting, it is not necessary for the registered shareholder to complete or return the form of proxy. Registered shareholders' votes will be taken and counted at the Meeting. Registered shareholders should register with TSX Trust Company, upon arrival at the Meeting.

If your shares are held in the name of an intermediary, please consult the instructions on the way to exercise your voting right in the following section entitled "**Advice to Beneficial Holders or Non-Registered Shareholders**".

## **Advice to Beneficial Holders or Non-Registered Shareholders**

Only registered shareholders of a duly designated proxy are eligible to attend and vote at the Meeting.

The information set forth in this section should be reviewed carefully by the non-registered shareholders of the Corporation. Shareholders who do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be

recognized and acted upon at the Meeting. If the Common Shares are not registered in the shareholder's own name, they are held in the name of a "nominee", usually a bank, trust company, securities dealer or broker or other financial institution. Applicable securities laws and regulations require nominees of Beneficial Shareholders to seek their voting instructions in advance of the Meeting. Therefore, unless a Beneficial Shareholder has previously informed his or her nominee that he or she does not wish to receive material relating to shareholders' meetings, he or she will receive this Circular in a mailing from such nominee, together with a form of proxy or voting instruction form. Each nominee has its own signature and return instructions. It is important that the Beneficial Shareholder comply with these instructions if he or she wants the voting rights attached to her or his shares to be exercised. If the Beneficial Shareholder which has submitted a proxy wishes to change his or her voting instructions, the Beneficial Shareholder should contact his or her nominee to find out whether this is possible and what procedure to follow.

Neither the Corporation nor its registrar and transfer agent have a record of the names of the Beneficial Shareholders of the Corporation. If a Beneficial Shareholder attends the Meeting, neither the Corporation nor the registrar and transfer agent will have knowledge of the Beneficial Shareholder's shareholdings or his or her entitlement to vote, unless the nominee has appointed the Beneficial Shareholder as proxyholder. Therefore, if you are a Beneficial Shareholder and wish to vote in person at the Meeting, you must insert your name in the space provided on the form of proxy or voting instruction form sent to you by your nominee. By doing so, you are instructing the nominee to appoint you as proxyholder. It is important that the signature and return instructions provided by the nominee are complied with. It is not necessary to otherwise complete the form as you will be voting at the Meeting.

If you are a Beneficial Shareholder and TSX Trust Company has sent these proxy 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 Common Shares on your behalf. By choosing to send these proxy materials to you directly, the Corporation (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 complete and return the materials in accordance with the instructions provided by TSX Trust Company.

All references to shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

### **Record Date and Voting Rights**

As at October 21, 2024 (the "**record date**"), there were 716,579,825 Common Shares issued and outstanding, each Common Share entitling the holder thereof to one vote. Only shareholders listed on the registers at the close of business on the record date will be entitled to receive notice of and to vote at the Meeting.

### **Principal Holders**

To the knowledge of the management of the Corporation, as at the record date, the following persons beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the issued and outstanding securities of the Corporation: François Mestrallet, Director, directly and through SARL MF, holding 129,386,000 Common Shares, representing approximately 18.1% of the outstanding Common Shares and Noureddine Mokaddem, Director, holding directly or indirectly, 100,000,000 Common Shares, representing approximately 14% of the outstanding Common Shares.

As of the date of this Circular, the directors and executive officers of the Corporation as a group, beneficially own, directly or indirectly, or exercise control or direction over approximately 32.8% of the outstanding Common Shares.

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

At the date of this Circular, to the best of its knowledge and except as disclosed in this Circular, management of the Corporation is not aware of any director or executive officer, present or nominated hereunder, or any associate or affiliate of such persons, who, since the beginning of the Corporation's last financial year, has an interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation.

## BUSINESS OF THE MEETING

### 1) Financial Statements

The audited financial statements of the Corporation for the year ended June 30, 2024, together with the auditor's report thereon, will be presented before the Meeting. The audited financial statements have been mailed to shareholders who have informed the Corporation that they wish to receive a copy of such documents and may be consulted on the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Corporation's website at [www.abcourt.ca](http://www.abcourt.ca).

### 2) Election of Directors

The articles of the Corporation provide that the board of directors of the Corporation (the "Board") shall consist of not less than three and not more than ten directors. The Board currently consists of seven members. The Directors are elected annually. Each of the persons indicated below has advised management of the Corporation that he or she would be willing to serve as a director if elected. The management of the Corporation proposes the election of six directors for the current year and the **persons named in the enclosed form of proxy intend to vote FOR the election of each of the nominees listed below unless the shareholder signing a proxy has indicated his or her desire to abstain from voting regarding the election of directors. Management of the Corporation does not foresee that any of the nominees will be unable to serve on the Board. However, should such an event arise for any reason before the Meeting, the persons named in the enclosed proxy form reserve the right to vote for another nominee at their sole discretion.** Each nominee elected as director will hold office until the next annual meeting of shareholders of the Corporation or until the election of his or her successor, unless he or she resigns or his or her office becomes vacant by removal, death or other cause pursuant to the provisions of the *Business Corporations Act* (Quebec)

The nominees indicated below are currently directors of the Corporation. Three of the six nominees are considered as "independent" within the meaning of *Regulation 52-110 Respecting Audit Committees* ("**Regulation 52-110**").

The following table sets forth the name, municipality and province of residence, office held with the Corporation, date on which each first became a director, principal occupation, business or employment during the last five years and number of Common Shares held by each of the nominees as directors of the Corporation as of the date of this Circular. The information on the nominees in the following table has been furnished by the respective nominees individually. The persons indicated below have been elected as directors of the Corporation at a shareholders meeting for which a circular was provided, except Nouredine Mokaddem.

NAME, MUNICIPALITY AND PROVINCE OF RESIDENCE AND OFFICE HELD WITH THE CORPORATION	PRINCIPAL OCCUPATION DURING THE LAST FIVE YEARS	DIRECTOR SINCE	NUMBER OF COMMON SHARES OWNED OR CONTROLLED
<b>René Branchaud</b> <sup>(2)(3)</sup> Montreal (Quebec)	Lawyer since 1983. Partner of the law firm Lavery, de Billy L.L.P.	2021	200,000
Independent Director			
<b>Loïc Bureau</b> <sup>(2)(4)</sup> Rouyn-Noranda (Quebec)	Geologist Engineer since 2006. Coordinator of activities of the Mineral Technology Department at Cegep de l'Abitibi-Temiscamingue.	2022	424,136
Chairman of the Board	Director and Chairman of Pershimex Resources Corporation Inc. from December 2018 until its amalgamation with the Corporation in May 2023. He is acting as Chairman of the Corporation since December 2023.		
Non-independent Director			

NAME, MUNICIPALITY AND PROVINCE OF RESIDENCE AND OFFICE HELD WITH THE CORPORATION	PRINCIPAL OCCUPATION DURING THE LAST FIVE YEARS	DIRECTOR SINCE	NUMBER OF COMMON SHARES OWNED OR CONTROLLED
<b>Pascal Hamelin</b> <sup>(4)</sup> Val d'Or (Quebec)  President and Chief Executive Officer  Non-Independent Director	Mining Engineer since 1991. Chief Operating Officer of Metanor Resources Inc. from April 2017 until its acquisition by Bonterra Resources Inc in September 2018. Vice-President Operations for Bonterra until June 2020 and President and Interim Chief Executive Officer until January 2022. Mr. Hamelin has been President and Chief Executive Officer of Abcourt since April 2022.	2022	3,313,500
<b>Lise Kistabish</b> <sup>(1) (3)</sup> Pikogan (Quebec)  Independent Director	Mrs.Kistabish graduated from the National School of Public Administration (ENAP) in public management in a First Nation context. She has over 25 years of experience in management and has been Director of training, employment and social development for the Abitibiwinni First Nation Council since May 2019.	2023	0
<b>François Mestrallet</b> <sup>(1)(2)</sup> Longvic (France)  Non-Independent Director	Veterinarian member of the "École nationale vétérinaire" of Lyon, France. Since 1983, President of Demavic, private company located in France manufacturing materials for animals	2013	129,386,000
<b>Noureddine Mokaddem</b> <sup>(1)(4)</sup> Casablanca (Morocco)  Independent Director	Mr. Mokaddem is a mining engineer with approximately 40 years of professional experience in Africa and North America. He has successfully led all stages of implementation in several projects, from feasibility studies to start-ups of production units of different scales, including maintenance of complex units, functional departments and distribution networks. He has been President and CEO of Aya Gold & Silver Inc.	July 2024	100,000,000

**Notes:**

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee
- (3) Member of the Governance Committee
- (4) Member of the Technical Committee

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation after reasonable due diligence, no director of the Corporation or nominee director is, as at the date of this Circular, or has been within the last ten years, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days

(an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Also, no director or nominee director of the Corporation:

- (a) is, as at the date of this Circular, or has been within the last ten years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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;
- (b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to reasonable investor in making an investment decision regarding the Corporation.

### **3) Appointment of Independent Auditors**

Management proposes that Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, be appointed as the auditors of the Corporation for the financial year ending June 30, 2025 and that the Board be authorized to fix their remuneration. Raymond Chabot Grant Thornton are acting as auditors of the Corporation since 2019.

**The persons named in the enclosed proxy form intend to vote FOR the appointment of Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, as auditors of the Corporation and the authorization to the Board to fix their remuneration unless the shareholder specifies that his or her proxy form be withheld from voting thereon.**

### **4) Modification of Articles to allow Appointment of Directors**

The *Business Corporations Act* (Quebec) provides that if the articles so allow, the directors may appoint one or more additional directors to hold office for a term expiring not later than the close of the annual shareholders meeting following their appointment, provided that the total number of directors so appointed may not exceed one third of the number of directors elected at the annual shareholders meeting preceding their appointment.

The Board believes that it would be beneficial to the Corporation and its shareholders to give the Board flexibility to add directors who possess expertise and knowledge relevant to the Corporation’s operations from time to time between two annual shareholder meetings.

The shareholders will be asked at the Meeting to consider and, if deemed advisable, to approve, a special resolution (the “**Director Resolution**”) to amend the Corporation’s Articles to authorize the directors to appoint one or more additional directors to hold office for a term expiring not later than the close of the annual shareholders meeting following their appointment, provided that the total number of directors so appointed may not exceed one third of the number of directors elected at the annual shareholders meeting preceding their appointment.

In order to be adopted, the Director Resolution must be approved by at least two-thirds of the votes cast by the holders of the Common Shares either present in person or represented by proxy at the Meeting.

The terms of the Director Resolution are as follows:

**BE IT RESOLVED AS A SPECIAL RESOLUTION:**

1. **TO AUTHORIZE** the Corporation to amend its Articles (the “**Amendment**”) in order to include provisions to the effect that the board of directors may, at its discretion, appoint one or more additional directors to hold office for a term expiring not later than the close of the annual shareholders meeting following their appointment, provided that the total number of directors so appointed may not exceed one third of the number of directors elected at the annual shareholders meeting preceding their appointment;
2. **TO AUTHORIZE** any one officer or director of the Corporation, to execute and to deliver, all such documents, and to do or to cause to be done all such other acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of this special resolution, including to set the effective date of the Amendment and to file Articles of amendment with the *Registraire des entreprises du Québec* (the “**Registrar**”) at any time after the date of this special resolution; and
3. **TO AUTHORIZE** the directors of the Corporation, notwithstanding the foregoing and if they deem it appropriate in the interest of the Corporation, to revoke this special resolution at any time before the issuance by the Registrar of a certificate of amendment or articles relating to the Amendment, without having to give notice to the shareholders of the Corporation and without having to obtain any other authorization from them.

The persons designated in the enclosed Form of Proxy intend to vote “FOR” the approval of the Director Resolution.

Notwithstanding whether the Director Resolution is passed by shareholders at the Meeting, the board of directors of the Corporation may revoke it at any time prior to the issuance of a Certificate of Amendment giving effect to the amendment of the Corporation’s Articles without further notice to or approval of the shareholders. The Amendment is also conditional upon the approval of the TSXV.

**5) Other Business**

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in according with their best judgment.

Any matter which a shareholder intends to present for consideration at a meeting of the Corporation must comply with the provisions of the *Business Corporations Act* (Québec) and be filed with the Corporation within 90 days of the expiration of a period of one year from the date of the notice of the last annual meeting of the Corporation, in order to be included in the management proxy circular and the proxy form relating to such meeting.

Any nominee proposal for the position of director of the Corporation must be made in accordance with the Advance Notice By-law adopted by the Corporation. This by-law sets out the process allowing shareholders to submit nominees for director positions before any annual or special meeting of shareholders by setting a deadline by which these nominations must be submitted and describing the information that must be included in the written notice submitted to the Corporation in order for any nominee for the position of director to be eligible for election at such annual or special meeting of shareholders.

In the case of an annual meeting of shareholders, the notice must be sent to the secretary of the Corporation at least 45 days and no more than 65 days before the date of the annual meeting. However, where the annual meeting is scheduled to be held less than 50 days after the date on which the first public announcement of the date of the meeting is made, notice must be submitted no later than the close of business on the 10<sup>th</sup> day following this public announcement. In the case of a special meeting of shareholders (which is not also an

annual meeting) convened for the election of directors (whether or not also convened for other purposes), nominations must be submitted to the Corporation no later than the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting is made.

## DIRECTORS AND NAMED EXECUTIVE OFFICERS COMPENSATION

The following table sets forth the information required under *Form 51-102F6V-Statement of Executive Compensation-Venture Issuers of Regulation 51-102 respecting Continuous Disclosure Obligations*, regarding all compensation paid, payable, granted or otherwise provided during the two most recent complete financial years of the Corporation, to all persons acting as directors or as “**Named Executive Officers**” (the “**NEOs**”), as this expression is defined in Form 51-102F6V, for the financial year ended June 30, 2024.

*Table of Compensation, Excluding Compensation Securities*

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$) <sup>(1)</sup>	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$) <sup>(3)</sup>	Total compensation (\$)
<b>Pascal Hamelin</b> <sup>(4)</sup> President and CEO since April 4, 2022 and Director since December 20, 2022	2024	315,000	216,169	N/A	0	N/A	531,169
	2023	300,000	157,500	N/A	0	N/A	457,500
<b>Christine Lefebvre</b> CFO	2024	168,000	48,000	N/A	0	N/A	216,000
	2023	160,000	67,200	N/A	0	N/A	227,200
<b>Daniel Adam</b> Director until July 24, 2024	2024	19,500	N/A	N/A	0	N/A	19,500
	2023	14,250	N/A	N/A	0	N/A	14,250
<b>René Branchaud</b> Director	2024	18,431	N/A	N/A	0	N/A	18,431
	2023	13,500	N/A	N/A	0	N/A	13,500
<b>Loic Bureau</b> Director since December 20, 2022 and Chairman of the Board since December 6, 2023	2024	24,049	N/A	N/A	0	N/A	24,049
	2023	9,750	N/A	N/A	-	N/A	9,750
<b>Christian Dupont</b> Director until December 20, 2022	2024	0	N/A	N/A	0	N/A	0
	2023	3,750	N/A	N/A	0	N/A	3,750
<b>Jasmine Hinse</b> Director since August 23, 2023	2024	14,238	N/A	N/A	0	N/A	14,238
	2023	0	N/A	N/A	0	N/A	0
<b>Normand Hinse</b> Director until December 20, 2022	2024	0	N/A	N/A	0	N/A	0
	2023	3,750	N/A	N/A	0	N/A	3,750
<b>Renaud Hinse</b> Director until June 3, 2023	2024	0	N/A	N/A	0	N/A	0
	2023	12,000	N/A	N/A	0	N/A	12,000
<b>Lise Kistabish</b> Director since December 6, 2023	2024	12,089	N/A	N/A	0	N/A	12,089
	2023	0	N/A	N/A	0	N/A	0
<b>François Mestrallet</b> Director and Chairman of the Board until December 6, 2023	2024	22,519	N/A	N/A	0	N/A	22,519
	2023	18,500	N/A	N/A	0	N/A	18,500
<b>Nicole Veilleux</b> Director until December 6, 2023	2024	15,670	N/A	N/A	0	N/A	15,670
	2023	16,050	N/A	N/A	0	N/A	16,500



**Notes:**

- (1) For the last financial year, bonuses were awarded by the Board in September 2024, calculated over a 12-month period ended June 30, 2024. For the previous year, bonuses were calculated over a 15-month period ended June 30, 2023 for the CEO and over a 12-month period for the CFO.
- (2) Value of perquisites is indicated only if such perquisites are not generally available to all employees of the Corporation and that, in aggregate, their total value for the year are greater than: a) \$15,000, if the NEO or director's total salary is \$150,000 or less; or b) 10% of NEO or director salary, if such total salary is greater than \$150,000 but less than \$500,000.
- (3) Except for the employment agreement with Pascal Hamelin, as Chief Executive Officer, and with Christine Lefebvre, as Chief Financial Officer, the Corporation has not concluded employment, consulting or management agreements providing payments to a NEO or to a director in case of change of control, termination or constructive dismissal. Furthermore, the Corporation does not offer any retirement plan or defined benefit or contribution plans in favor of its NEOs and directors.
- (4) Pascal Hamelin is President and Chief Executive Officer of the Corporation and does not receive fees as director.

**Stock Options and other Compensation Securities**

The following table presents the securities granted or issued by the Corporation as compensation to the Corporation's directors and NEOs during the financial year ended June 30, 2024 for services rendered or to be rendered, directly or indirectly, to the Corporation.

Compensation Securities							
Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities and underlying securities, and percentage of class <sup>(2)</sup>	Date of issue or grant	Issue conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at last year end (\$)	Expiry Date
Pascal Hamelin CEO and Director	Common Shares stock options	1,500,000	23-08-2023	0.05	0.04	0.04	23-08-2028
Christine Lefebvre CFO	Common Shares stock options	1,000,000	23-08-2023	0.05	0.04	0.04	23-08-2028
Daniel Adam Director	Common Shares stock options	1,500,000	23-08-2023	0.05	0.04	0.04	23-08-2028
Loïc Bureau Chairman and Director	Common Shares stock options	1,500,000	23-08-2023	0.05	0.04	0.04	23-08-2028
René Branchaud Director	Common Shares stock options	1,500,000	23-08-2023	0.05	0.04	0.04	23-08-2028
Jasmine Hinse Director	Common Shares stock options	1,500,000	23-08-2023	0.05	0.04	0.04	23-08-2028
François Mestrallet Director	Common Shares stock options	1,500,000	23-08-2023	0.05	0.04	0.04	23-08-2028
Lise Kistabish Director	Common Shares stock options	1,500,000	06-12-2023	0.05	0.04	0.04	06-12-2028
Nicole Veilleux Director	Common Shares stock options	1,500,000	23-08-2023	0.05	0.04	0.04	23-08-2028

**Notes:**

- (1) The stock options have been granted pursuant to the Corporation's stock option plan described under "**Securities Authorized for Issuance under Equity Compensation Plans**". No stock option has been cancelled, modified or replaced. Options granted in August and December 2023 may be exercised at a rate of one third upon their allocation, one third after one year and the balance after two years from their allocation date.
- (2) The number of stock options granted to each director and officer represents less than 1% of the issued and outstanding Common Shares.
- (3) As of June 30, 2024, the directors and NEOs of the Corporation were holding the following stock options: Pascal Hamelin: 4,356,800; Christine Lefebvre: 2,000,000; Loic Bureau: 2,356,800; Daniel Adam: 1,500,000; Jasmine Hinse: 1,500,000; François Mestrallet, 1,500,000; René Branchaud: 1,500,000; and Lise Kistabish: 1,500,000.

There was no exercise of compensation securities by the directors and NEOs during the last completed financial year of the Corporation ended June 30, 2024.

### **Employment, Consulting and Management Agreements**

On March 23, 2022, the Corporation signed an employment contract with Pascal Hamelin, retaining his services as President and Chief Executive Officer of the Corporation, effective April 4, 2022. This contract provides for an annual base salary of \$300,000, reviewable annually, and the possibility of a bonus after the end of each financial year, based on the achievement of objectives to be set with the Board. Severance pay equal to 24 months' salary is payable to the Chief Executive Officer if the Corporation terminates his employment without just and sufficient cause, while a lump sum equivalent to 24 months' salary would be payable at occurrence of an event constituting a change of control according the situations provided for in his employment agreement.

On July 1, 2022, the Corporation signed an employment contract with Christine Lefebvre, who has served as Chief Financial Officer of the Corporation since December 16, 2021. This contract provides for an annual base salary of \$160,000, reviewable annually, and the possibility of a bonus after the end of each financial year, based on the achievement of objectives to be set with the Board. Severance pay equal to 12 months' salary is payable to the Chief Executive Officer if the Corporation terminates his employment without just and sufficient cause, while a lump sum equivalent to 18 months' salary would be payable at occurrence of an event constituting a change of control according the situations provided for in his employment agreement.

### **Oversight and Description of Directors and NEOs Compensation**

#### Executive Officers

The Board formed a compensation committee (the "**Compensation Committee**") having, amongst other things, the responsibility to provide advices and recommendations to the Board on the compensation of the chief executive officer and the chief financial officer and of the directors of the Corporation. The Compensation Committee recommends the objectives of the short and long term incentive programs, if any, and the share purchase stock options in favour of the named executive officers.

The Compensation Committee is comprised of three members, namely Loic Bureau (Chairman of the Committee), René Branchaud and François Mestrallet. The Corporation considers that the public company board membership and management experience of the members of the Compensation Committee provides the members with appropriate experience and skills relevant to the responsibilities and ability to make decisions on the suitability of the Corporation's compensation policy and practices.

#### *Market Comparators*

The compensation policy primary objective is to offer total compensation capable of attracting and retaining high level executive officers and to motivate the executive officers in achieving and exceeding the goals of the Corporation and of its shareholders.

The Compensation Committee has not retained any third party advisors to establish the compensation of the named executive officers. However, the Compensation Committee has prepared comparative market data and provided recommendations to the Board. The following mining companies have been selected as comparators considering criteria such as assets, annual revenue, comparable activities and listing on a Stock Exchange: Orbit Garant Drilling Inc., Falco Resources Ltd., Radisson Mining Resources, Midland Exploration Inc., Cartier Resources Inc. and Azimut Exploration Inc.

#### *Components of the Compensation Policy*

The compensation policy consists of the sum of a base salary, a long term incentive compensation (stock options), benefits and perquisites and, in the case of the Chief Executive Officer and the Chief Financial Officer, a the possibility of a short term incentive (bonus).

#### Base Salary:

The Corporation's base salary policy is to pay base salaries for executive officers that are equivalent of the Market Comparators indicated above. The salaries of the executive officers are reviewed and recommended for approval to the Board yearly by the Compensation Committee considering the individual performance and the Market Comparators. The Chief Executive Officer was granted an annual base salary of \$300,000, which was indexed to \$315,000 for the financial year ended June 30, 2024. The Chief Financial Officer is an employee of the Corporation and is paid an annual salary of \$160,000, indexed to \$168,000 for the financial year ended June 30, 2024.

#### Short Term Incentive (bonus):

Under the terms of his employment contract, the Chief Executive Officer is eligible to receive a bonus equivalent to a maximum of 100% of his salary, depending on the achievement of objectives set jointly with the Board. Following the recommendations of the Compensation Committee, the Board awarded the Chief Executive Officer in September 2024, a premium calculated on a 12 month-period ended June 30, 2024, based on the following criteria and objectives, assigning to each a percentage of success: the proposal of a strategic plan for the Corporation, the realization of a flow-through financing for the Flordin property, the treatment of the bulk sample on the Pershing-Manitou project; the presentation of a mining plan for the Sleeping-Giant mine, the realization of an equity financing or other form of financing for the Corporation, the working capital ratio of the Corporation, the coverage of the Corporation by financial analysts and certain non-financial measures, such as the rate of compensable accidents, the health and safety measures, the number and treatment of environmental violations and the approval of the restoration plan for the closure of the Sleeping-Giant mine.

The Chief Financial Officer may also receive a bonus equivalent to a maximum of 50% of her salary, depending on the achievement of objectives set jointly with the Board. Following the recommendations of the Compensation Committee, the Board awarded the Chief Financial Officer in September 2024, a premium calculated on a 12 month-period ended June 30, 2024, based on the following criteria and objectives, assigning to each a percentage of success: delivery to the audit committee of drafts of the financial statements and management reports within a certain deadline, delivering of a monthly financial report to the board of directors, training and maintaining a competent accounting team and certain non-financial measures, such as the timely production of reports required by various laws

#### Long Term Incentive Compensation:

The establishment of a balance between short and long term compensation is essential for the Corporation's performance. For this reason, the Corporation has adopted a Stock Option Plan in 1996 (as subsequently amended) allowing the grant of options to officers, directors, employees and consultants of the Corporation. Reference is made to the description of such plan under the heading "**Securities Authorized for Issuance under Equity Compensation Plans**" below.

In general, the Compensation Committee determines the number of options granted annually according to the level of responsibility and authority of each of the executive officers and considering the number of stock options granted over the years. During the financial year ended June 30, 2024, the Board granted 1,500,000 options to purchase Common Shares to the CEO and 1,000,000 options to purchase Common Shares to the CFO. See "**Stock Options and other Compensation Securities**".

The purpose of the Stock Option Plan is to serve as an incentive for the directors, officers and consultants who will be motivated by the Corporation's success as well as to promote ownership of common shares by these people. There is no performance indicator relating to profitability or risk attached to the Stock Option Plan. The long term incentive compensation is not based on known or measured corporate or individual performance objectives but is determined in a view to improve the executive officers' salaries and to encourage the work of these persons towards an increase of shareholders value.

The Compensation Committee is responsible for the revision and recommendation to the Board of Directors of any required modifications to the Stock Option Plan.

#### Benefits and Perquisites:

The Corporation offers its officers the same benefits as all other employees, including the opportunity to contribute to a retirement plan. The Corporation does not offer benefit programs, such as life, medical, long-

term disability or other insurance and the directors and officers do not benefit from a retirement plan. Officers and directors of the Corporation are covered by directors' and officers' liability insurance.

### Directors

The Compensation Committee reviews and recommends to the Board the compensation of the Board members so as to ensure they receive competitive compensation that realistically reflects the risks and responsibilities they assume.

For the year ended June 30, 2024, the Compensation Committee has not retained any third party advisors to establish the compensation of the directors. The Compensation Committee recommends the directors' compensation in light of same market comparators used to analyse the compensation of the named executive officers. Upon recommendation of the Compensation Committee, the Board approved with a retroactive effect from January 1, 2023, a revision of the annual compensation to the directors. Each director, except the Chief Executive Officer, receives payment of an annual retainer of \$15,000. Each member of a committee of the Board receives an additional annual retainer of \$1,500 or \$3,000 in the case of the audit committee. The Chairman of the Audit Committee receives payment of an annual retainer of \$5,000, this amount being \$2,500 in the case of the other committees. The Chairman of the Board, which is not otherwise officer of the Corporation, receives payment of an annual retainer of \$7,500.

The Board determines, upon recommendation of the Compensation Committee, the number of options granted annually to the directors without applying any known or measurable objectives. Criteria such as the Corporation's global performance are looked at in determining the number of options to be granted to the directors.

### **Securities Authorized for Issuance under Equity Compensation Plans**

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as of June 30, 2024.

<b>Plan Category</b>	<b>Number of Securities to be issued upon exercise of outstanding options</b>	<b>Average exercise price of outstanding options</b>	<b>Number of securities remaining available for issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders <b>(Stock Option Plan)</b> <sup>(1)</sup>	27,997,600	\$0.06	14,812,400
Equity compensation plans not approved by securityholders	N/A	N/A	N/A

**Note:**

- (1) Including 5,997,600 stock options at an average exercise price of \$0.0875 resulting from the conversion in options of the Corporation in connection with the amalgamation of the Corporation with Pershimex Resources Corporation as of May, 2023.

Pursuant to its Stock Option Plan, the Corporation may, from time to time, grant to eligible directors, officers, employees and consultants of the Corporation, options to acquire Common Shares in such number, at such exercise prices, and for such terms as may be determined by the Board. The Stock Option Plan is a plan whereby a fix number of Common Shares are issuable upon exercise of stock options. It was initially adopted in October 1996 and approved by the shareholders in December 1997 and was thereafter modified with the approval of the shareholders in December 2001 and December 2012. Other modifications not requiring shareholders' approval have also been adopted by the Board, the latest of which dated August 23, 2023, as part of the grant of stock options to the directors, officers, employees and some consultants of the Corporation.

The maximum number of common shares that may be issued under the Stock Option Plan is 42,810,000. The maximum number of Common Shares which may be reserved for issuance to any one person pursuant to stock options during a twelve-month period may not exceed 5% of the Common Shares outstanding at the time of grant (on a non-diluted basis). The maximum aggregate number of Common Shares that are issuable pursuant to all security based compensation granted or issued to insiders (as a group) must not exceed 10% of the Common Shares of the Corporation at any point in time (unless the Corporation has obtained the requisite disinterested shareholder approval pursuant to the TSX Venture Exchange (the "Exchange"))

requirements). The maximum aggregate number of Common Shares that are issuable pursuant to all security based compensation granted or issued in any 12 month period to insiders (as a group) must not exceed 10% of the issued Common Shares of the Corporation, calculated as at the date any security based compensation is granted or issued to any insider (unless the Corporation has obtained the requisite disinterested shareholder approval pursuant to the Exchange requirements).

The exercise price shall not be less than the closing price of the Common Shares on the Exchange the day preceding the grant and is subject to the minimum exercise price allowed by the rules of the Exchange at the date of the grant.

No more than 2% of the issued Common Shares of the Corporation may be granted to any one consultant in any 12 month period. No more than 2% of the issued shares of the Corporation may be granted to a person conducting investor relations activities in any 12 month period. Options shall vest and the method of vesting, provided that options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than ¼ of the options vesting in any three month period.

All options must be exercised no later than 5 years from the date of the grant and they are not transferable. Unless otherwise decided by the Board, if a director, employee or consultant ceases to act as such (including in reason of death), each option held by such person will be exercisable during 12 months following the date on which such person ceased to be a participant under the Stock Option Plan but only up to and including the original option expiry date. Options granted to a person engaged in investor relations activities must expire within 30 days after this person ceases to be employed to provide such services.

When granted, the Board may determine other restrictions or conditions to the exercise of the stock options. The decrease of the exercise price of Stock Options or the extension of their length shall be approved by disinterested shareholders when the beneficiary is an insider of the Corporation.

All modifications to the Stock Option Plan is subject to the approval of the Exchange.

#### **Indebtedness of Directors and Executive Officers**

No director, officer, employee or previous directors, officers or employees of the Corporation was indebted to the Corporation at any time in its last completed financial year in connection with the purchase of securities of the Corporation or for any other reason.

### **AUDIT COMMITTEE INFORMATION**

Regulation 52-110 requires the Corporation to disclose annually certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

#### **Charter of the Audit Committee**

The charter of the audit committee is annexed as Schedule "A".

#### **Composition of the Audit Committee**

The audit committee is currently composed of Lise Kistabish (Chair of the Committee), François Mestrallet and Noureddine Mokaddem.

Regulation 52-110 provides some guidance to determine if a member of an audit committee is "independent". Based on Regulation 52-110, the Board has determined that a majority of the members of the audit committee are independent.

The Board has also determined that each of the members of the audit committee is "financially literate" within the meaning of Regulation 52-110.

Lise Kistabish graduated from the National School of Public Administration (ENAP) in public management in a First Nation context. She has over 25 years of experience in management and has been Director of training, employment and social development for the Abitibiwinni First Nation Council since May 2019.

François Mestrallet is a businessman and is a director of the Corporation since 2013. He has also been Chairman of the Board of the Corporation for many years, until December 2023.

Noureddine Mokaddem is a mining engineer with approximately 40 years of professional experience in Africa and North America. He has successfully led all stages of implementation in several projects, from feasibility studies to start-ups of production units of different scales, including maintenance of complex units, functional departments and distribution networks. From 2010 to 2020, he was a director and an officer of Aya Gold & Silver Inc., a mining company listed on the Toronto Stock Exchange.

### **Audit Committee Oversight and Pre-approval Policies and Procedures for Audit Services**

The recommendation of the audit committee on nomination and compensation of the external auditors was adopted by the Board during the Corporation's last financial year.

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

### **External Auditor Service Fees**

Raymond Chabot Grant Thornton LLP ("**RCGT**") Chartered Professional Accountants, are the Corporation's external auditors since 2019.

#### *(a) Audit Fees*

"Audit fees" consist of fees for professional services for the audit of the Corporation's annual financial statements, assistance with interim financial statements, and related matters. RCGT billed the Corporation \$195,579 in audit fees for the financial year ended June 30, 2023 and \$76,577 for the financial year ended June 30, 2024.

#### *(b) Audit-Related Fees*

"Audit-related fees" consist of fees for professional services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and which are not reported under "Audit Fees" above. No audited related fees were incurred by the Corporation for the financial years ended June 30, 2023 and June 30, 2024.

#### *(c) Tax Fees*

"Tax fees" consist of fees for professional services for tax compliance, tax advice and tax planning. No tax fees were incurred by the Corporation for the financial years ended June 30, 2023 and 2024.

#### *(d) All Other Fees*

The Corporation has not incurred any other fees for other services during its financial years ended June 30, 2023 and 2024.

### **Reliance on Exemptions**

Since the beginning of its last financial year, the Corporation has not relied on the exemption of section 2.4 of Regulation 52-110 (Non-audit services of minimal value) or the exemption of application of all or part of Regulation 52-110 set out in Part 6 and Part 8 of Regulation 52-110, except the exemption granted under section 6.1, which allows the Corporation, as a venture issuer, to be exempted from certain requirements under Part 5 (reporting obligations) of Regulation 52-110.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For the purposes of this Circular, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns or exercises control or direction over, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting

rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation, if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than as set out below or as may be set out elsewhere in this Circular, to the best of the Corporation's knowledge, no informed person of the Corporation has or had, directly or indirectly, any material interest in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

## **CORPORATE GOVERNANCE PRACTICES**

The Board reviewed the corporate governance guidelines outlined in *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* ("the **Regulation 58-101**") from Canadian securities authorities. A description of the governance practices of the Corporation is presented below in accordance with Regulation 58-101.

### **Composition of the Board of directors**

The Board currently consists of seven directors.

The following directors are considered to be independent within the meaning of Regulation 52-110 since they have no interests or relationships, including business relationships that could materially impair their ability to act in the best possible way interests of the Corporation, or which are reasonably likely to be perceived as having this effect, with the exception of the interests and relationships arising from the shareholders: René Branchaud, Jasmine Hinse, Lise Kistabish and Nouredine Mokaddem. Jasmine Hinse is not a candidate for the position of director and will cease to be a director of the Corporation on the date of the Meeting.

Pascal Hamelin, CEO and Loic Bureau, Chairman of the Board are considered not to be independent in reason of their position as officers of the Corporation. Pursuant to Regulation 52-110, François Mestrallet is also considered not to be independent because he has been a named executive officer of the Corporation during the last 3 years, acting as Chairman of the Board until December 2023.

### **Directorship**

The current directors and proposed nominees who are also directors of other reporting issuers in Canada or in a foreign jurisdiction are: René Branchaud, director of Cerro de Pasco Resources Inc. and of Genius Metals.

### **Orientation and Continuing Education**

The Board does not currently have a formal orientation program for new directors. The Governance Committee's mandate is to inform new directors on the role of the Board and its committees as well as the activities of the Corporation and on new training opportunities for board members.

### **Ethical Business Conduct**

The Board does not have a written code of ethics and conduct for the directors and officers. However, the Governance Committee intends to propose to the Board a code of ethics for its directors and officers during the current financial year. The Governance Committee ensures compliance, supervision and updating of the Corporation's policies and charters of the committees and helps to identify and to resolve any ethical dilemmas. It also has the mandate to ensure that there is a monitoring of the evolution of industry trends and practices in matters of ethics, professional conduct and governance and to keep the Board informed on these subjects. All directors have an obligation to perform their duties and assume their responsibilities with honesty and good faith, in the best interest of the Corporation. The Corporation expects all directors to comply with the laws and regulations governing their conduct.

### **Nomination of Directors**

The Governance Committee is responsible for finding qualified individuals to fill their positions as directors and recommending to the Board candidates to present at the next annual meeting of shareholders.

## **Compensation**

On an annual basis, the Compensation Committee evaluates the accuracy of the remuneration of the directors and officers. After review and analysis, the compensation of directors and officers is recommended to the Board.

## **Other Board Committees**

A Compensation Committee was established during the last financial year with the responsibility, amongst other things, to provide advices and recommendations to the Board on the compensation of the chief executive officer and the chief financial officer and of the directors of the Corporation. The Committee recommends the objectives of the short and long term incentive programs, if any, and the share purchase stock options in favour of the named executive officers and the directors.

The Board has established a Governance Committee composed of three members, Jasmine Hinse (chair), René Branchaud and Lise Kistabish. The Governance Committee fulfils an oversight role for governance-related non-compliance risks, for profiles of Board's committee members and for the Corporation's governance structure. The Governance Committee also monitors the risks of non-compliance related to the independence of the directors and members of the Board's committees and the transactions with related persons and monitors the non-financial risks in general.

The Board has also established a technical committee composed of three members: Pascal Hamelin, Loïc Bureau and Nouredine Mokaddem. This committee assists the Board in fulfilling its responsibilities by receiving and reviewing the quarterly reports from management on health, human resources and safety, and, as the case may be, the report on environment from the Chief Executive Officer. The technical committee also assist management in the preparation of a strategic plan and a budget for the conduct of business and the development of the Corporation.

## **Board Assessments**

The Governance Committee is responsible for assessing the effectiveness of the Board and its committees and recommends, if necessary, modifications to their composition. The Governance Committee recommends to the Board new candidates for director positions. The procedure for identifying new candidates takes into account the skills and abilities of the Board as a whole as well as those of each of the directors in office and determines those that each new candidate can bring to the Board.

## **ADDITIONAL INFORMATION**

Additional information about the Corporation is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Corporation's financial information is included in its financial statements and Management's Discussion and Analysis for the year ended June 30, 2024. Copies of these documents may be obtained from Pascal Hamelin, President and Chief Executive Officer of the Corporation, at [phamelin@abcourt.com](mailto:phamelin@abcourt.com). The Corporation may request payment of reasonable fees where the request is made by a person who is not a shareholder.

## **DIRECTORS' APPROVAL**

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

October 24, 2024

*(S) Pascal Hamelin*

Pascal Hamelin,  
President and Chief Executive Officer



## SCHEDULE A

### ABCOURT MINES INC. (THE "CORPORATION")

#### AUDIT COMMITTEE CHARTER

This Charter was adopted in conformity with *Regulation 52-110 on the Audit Committee* ("**Regulation 52-110**"). The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee (hereinafter described as the "**Audit Committee**" or the "**Committee**") and describes the qualifications and status required to become a member. The Committee reviews its charter periodically and, as required, makes recommendations to the Board of Directors (hereinafter described as the "**Board of Directors**" or the "**Board**") as to any changes to be made.

#### I. Overall Purpose - Role of Audit Committee

The Committee is a committee of the Board to whom the Board has delegated the responsibility of reviewing the financial reporting process. The Audit Committee has a general mandate to assist the Board in fulfilling its responsibilities with regard to the financial information of the Corporation and its accounting practices, mainly in the process of reporting and disclosure. In this context, the Committee:

- ensures the reliability and the integrity of the Corporation's financial statements and financial information, as well as other information made public by the Corporation;
- supervises the management of accounting systems and internal controls;
- assists in ensuring proper communications between the directors and the external auditors;
- supports the independence of the external auditors;
- supports the duties of the external directors in facilitating in-depth discussions between the directors members of the Audit Committee, Management and the external auditors;
- supervises the activities of the external auditors appointed to carry out an audit or to perform other related services; and
- recommends to the Board the appointment of the external auditors and their remuneration.

The Committee has the authority to examine and make recommendations on any question brought to its attention. The Committee, in carrying out this mandate, has access, upon request, to all relevant information concerning the Corporation's operations, whether this information is in the hands of the Corporation, a subsidiary or a related person.

The Committee may, at his own discretion, use the services of outside consultants.

#### 2. Committee Responsibilities - Audit

In general, the Committee's mandate is to supervise the reporting and disclosure processes of the Corporation and to report on its activities to the Board.

The Committee must ascertain that adequate procedures are in place to review the public disclosure by the Corporation of financial information extracted or derived from its financial statements and must periodically assess the adequacy of these procedures.

The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation, if any, of concerns regarding questionable accounting or auditing matters.

## **2.1 Financial Statements, Notes, Management Reports and Press Releases**

- 2.1.1 The Committee examines the interim financial statements and the audited financial statements at year-end before making them public, as well as the documents prepared for electronic deposit with regulatory authorities. The Committee may make the changes it deems necessary to the financial statements. The Committee approves the interim financial statements and recommends the approval of the annual financial statements by the Board.
- 2.1.2 The Committee examines the notes to the financial statements and all management reports accompanying the financial statements distributed to the shareholders and/or to the regulatory authorities, as well as press releases issued along with the financial statements, notes and related comments. The Committee makes the modifications deemed necessary to these documents. The Committee approves the interim documents and recommends the approval of the annual documents by the Board.

## **2.2 External Auditors**

- 2.2.1 The Committee makes recommendations to the Board with regard to the selection of external auditors, their remuneration and their reappointment, as the case may be. It reviews the audit plan with the external auditors and defines the specific needs of the Committee. The Committee receives the auditors' report with the accompanying notes.
- 2.2.2 The Committee meets with the external auditors before the beginning of their mandate and, at this meeting, examines and approves the scope of the audit plan as well as the audit fees allocated to the work to be done.
- 2.2.3 At that time, the Committee analyzes the external auditors' independence, reviews services other than audit services to be performed by the external auditors and determines if the nature and extent of these services may or may not be prejudicial to their independence. The Committee reviews the hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- 2.2.4 The Committee also meets with the external auditors at the meeting planned for the examination of the year-end audited financial statements and, on this occasion, receives the post-audit report that will mainly deal with:- The acceptability and quality of the Corporation's accounting principles;
- The quality of the accounting systems and internal controls put in place by Management to ensure the integrity of the accounting and financial information;
  - The recommendations made by the auditors to Management with respect to the accounting systems and internal controls, and Management's response thereto;
  - The assessment of the measures put in place to deal with the risks faced by the Corporation when, in the auditors' opinion, certain factors could have a material impact on the results of the Corporation; and
  - The difficulties encountered by the external auditors in the course of their mandate, in particular any restrictions imposed by Management or serious accounting questions over which they disagreed with Management.
- 2.2.5 At these meetings, the Audit Committee may meet with the auditors, out of the presence of the Corporation's Management and the internal directors. In fact, the Committee has direct access to the external auditors and Management and may hold private and informal discussions with each of the parties, whenever deemed opportune in carrying out their mandate.

- 2.2.6 Also, the Management of the Corporation and the external auditors may, if necessary, ask to meet the members of the Committee to review with them all transactions, procedures or other questions which, in their opinion, are relevant to the mandate of the Committee.
- 2.2.7 The Audit Committee must approve, in advance, all the services that are not related to the audit that the external auditors do for the Corporation and its subsidiaries.
- 2.2.8 The Committee examines the conditions of the mandate of the external auditors and verifies that the fees are appropriate and reasonable for the audit and approves unpaid fees.
- 2.2.9 The Committee is in charge of resolving disagreements between the management of the Corporation and the external auditors concerning the financial reporting.

### **3. Responsibilities of the Committee - Conflicts of Interest**

Every year or more often, as required, the Committee examines:

- 3.1 Any situation that has been brought to its attention that may cause a conflict of interest and, more particularly, the approval of the financial conditions applicable within the framework of contracts with persons or companies related to or affiliated with the Corporation, to ensure that these contracts are as advantageous to the Corporation as if they had been negotiated with other parties.
- 3.2 Any eventual violation of a contract that is brought to its attention and which could have an impact on the financial statements.

### **4. Appointment of Auditors - Other Resources**

In performing its duties, the Committee may hire all necessary resources.

Each year, after having verified the qualifications of the incumbent or potential auditors, the Committee must recommend to the Board the appointment of external auditors. At its first meeting of the year in March, the Committee must consider whether it is appropriate, for the next fiscal year, to proceed with a call for tenders from various auditing firms or to renew the mandate of the auditors in place.

If Management proposes a change of external auditors, the Committee must be informed of the reasons for such a change and, in all cases, approve the information to be made public in accordance with the regulations.

### **5. Composition**

The Audit Committee consists of a minimum of three directors appointed by the Board at the first meeting following the annual general meeting of the shareholders.

All members of the Committee shall be financially literate. A member of the Committee who is not financially literate will work towards becoming financially literate in a reasonable delay. At least one (1) member of the Committee shall have accounting or related financial management expertise.

For the purposes of this Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Corporation's financial statements.

### **6. Chairman of the Committee**

The Chairman of the Committee is selected by the members of the Committee unless he is appointed by the Board; in the case of absence, unavailability or if he vacates his post, the chairmanship will be assumed by a member chosen by the Committee.

**7. Number of Meetings**

The Committee will meet at least four (4) times per year or more, if necessary. Meetings can be held by conference call.

A member of the Committee may convene a special meeting.

**8. Organization**

The Committee appoints a Secretary.

Before each Committee meeting, the Secretary distributes a written agenda to the members. The Secretary will also maintain minutes of each meeting.

**9. Quorum and Decisions**

A majority of Committee members shall constitute a quorum.

Provided there is a quorum, decisions are made by a vote of the majority of the members present.

**10. Report**

The Committee reports to the Board of Directors. The minutes of a Committee meeting constitute a report in itself.