

**SHELLRON CAPITAL LTD.**

1090 Hamilton Street

Vancouver, British Columbia V6B 2R9

**NOTICE OF MEETING AND MANAGEMENT INFORMATION  
CIRCULAR**

**For its Annual General Meeting of Shareholders to be held  
September 29, 2023**



**SHELLRON CAPITAL LTD.**

**1090 Hamilton Street**

**Vancouver, B.C. V6B 2R9**

Tel: (604) 634-0970 Fax: (604) 634-0971

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that an annual general meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Shellron Capital Ltd. (the “**Company**”) will be held at 1090 Hamilton Street, Vancouver, B.C., V6B 2R9 on September 29, 2023 at 11:00 a.m. (Vancouver time), for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended April 30, 2023 and the report of the auditors thereon;
2. to set the size of the board of directors;
3. to elect the directors of the Company for the ensuing year or until completion of the Company’s proposed qualifying transaction;
4. to appoint Saturna Group Chartered Professional Accountants LLP, as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider, and if deemed appropriate pass a resolution, ratifying and approving the renewal of the stock option plan of the Company, as more fully described in the management information circular accompanying this notice of Meeting; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular (the “**Circular**”).

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is August 25, 2023 (the “**Record Date**”). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

**Voting**

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.** To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with Computershare Investor Services Inc., Proxy Department, 100 University Avenue, P.O. Box 4572, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently. (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set

Information on how non-registered (or beneficial) Shareholders may cast their vote is also described in greater detail in the Circular.

DATED this 30th day of August, 2023.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

*“Robert Giustra”*

Robert Giustra  
Director

**SHELLRON CAPITAL LTD.**  
**1090 Hamilton Street**  
**Vancouver, B.C. V6B 2R9**  
Tel: (604) 634-0970 Fax: (604) 634-0971

**MANAGEMENT INFORMATION CIRCULAR**  
*(as at **August 30, 2023**, except as otherwise indicated)*

*SHELLRON CAPITAL LTD. (“Shellron” or the “Company”) is providing this Management Information Circular (this “Circular”) in connection with the solicitation of proxies by the management of Shellron for use at the ANNUAL GENERAL MEETING (the “Meeting”) of Shellron to be held on **September 29, 2023**, and at any adjournments. Shellron will conduct its solicitation by mail and directors, officers and employees of Shellron may, without receiving special compensation, also telephone or make other personal contact. Shellron will pay the cost of solicitation. This Circular refers to Shellron’s financial year ended April 30, 2023.*

**APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a holder of common shares of the Company (a “**Shareholder**”) in accordance with the instructions given by the Shareholder in the proxy. The individuals named in the enclosed form of proxy are officers and/or Directors of the Company (the “**Management Proxyholders**”).

**IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN THE MANAGEMENT PROXYHOLDERS, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.**

**VOTING BY PROXY**

**Only registered shareholders (“Registered Shareholders”) or duly appointed proxyholders are permitted to vote at the Meeting.** Common shares (“Shares”) represented by a properly executed proxy will be voted for or against or be withheld from voting on each matter referred to in the notice of Meeting (“**Notice of Meeting**”) in accordance with the instructions of the Shareholder 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 shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

*The enclosed form of proxy confers discretionary authority on the persons named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.*

**COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company’s registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, P.O. Box 4572, Toronto,

Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

**The following information is of significant importance to Shareholders who do not hold Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which the shares are purchased. Most Shareholders are “non-registered” shareholders (“**Non-Registered Shareholders**” or “**Beneficial Shareholders**”) because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which the shares were purchased. Non-Registered Shareholders’ Shares will more likely be registered under the names of intermediaries (each an “**Intermediary**” or “**Intermediaries**”). In Canada the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: those who object to their name being disclosed to the issuers of securities they own (called “**OBOs**” for Objecting Beneficial Owners); and those who do not object (called “**NOBOs**” for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and issuers can use the NOBO list for distribution of proxy-related materials directly to NOBOs. The Company is taking advantage of NI 54-101 provisions permitting it to deliver proxy-related material directly to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form (“**VIF**”) from Computershare Investor Services Inc. (“**Computershare**”), the Company’s transfer agent. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive. Alternatively, NOBOs may vote following instructions on the voting instruction form, via the internet or by phone.

Beneficial Shareholders who are OBOs should follow their intermediary’s instructions carefully to ensure their Shares are voted at the Meeting. Management of the Company does not intend to pay for intermediaries to forward proxy-related materials or the VIF to OBOs, and in such case an OBO will not receive the materials unless an OBO’s intermediary assumes the cost of delivery.

The securityholder material is being sent to both Registered Shareholders and Non-Registered Shareholders of the Company. If you are a Non-Registered Shareholder, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii)

executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Shares at the Meeting and that person may be you. To exercise this right, insert the name of your desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of the Shares to be represented at the Meeting and the appointment of any Shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Shares voted, or to have an alternate representative duly appointed to attend the Meeting and vote your Shares at the Meeting.**

#### *Notice to Shareholders in the United States*

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia)(the “**Act**”), as amended, certain of its Directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **REVOCABILITY OF PROXIES**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder, their attorney authorized in writing or, if the Registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke the proxy on their behalf.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Board of the Company has fixed August 25, 2023 as the record date (the “**Record Date**”) for determination of persons entitled to vote at the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting. As of the Record Date, there were 8,539,000 Shares without par value issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of Directors, nor are there cumulative or similar voting rights attached to the Shares.

To the knowledge of the Company’s Directors and executive officers, no persons or companies beneficially owned, controlled, or directed, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company as of the Record Date.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Votes Necessary to Pass Resolutions**

Unless otherwise specified, a simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as Directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment as a Director is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### **Financial Statements**

The Company’s audited annual financial statements for the year ended April 30, 2023, and the report of the auditors thereon will be placed before Shareholders at the Meeting, but no vote thereon is required. These documents are available upon request from the Company and they can also be found under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Election of Directors**

#### *Number of Directors*

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The Board currently consists of three Directors and Shareholder approval will be sought to fix the number of Directors of the Company at three.

**Management recommends Shareholders vote in favour of the resolution fixing the number of directors at three. Unless you provide instructions otherwise, the Management Proxyholders intend to vote FOR the resolution fixing the number of directors at three.**

#### *Nominees for Election*

At the Meeting, the three persons named hereunder will be proposed for election as Directors of the Company (the “**Nominees**”).

The table below sets out the names of management’s nominees for election as Directors, all major offices and positions with the Company and any of its significant affiliates each nominee now holds, each nominee’s principal occupation, business or employment (for the five preceding years for new Director nominees), the period of time during which each has been a Director of the Company and the number of



Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as of the Record Date.

<b>Proposed Nominees for Election as a Director</b>				
<b>Name and Residence <sup>(1)</sup></b>	<b>Principal Occupation</b>	<b>Member of Committees</b>	<b>Period as a Director</b>	<b>Shares Beneficially Owned or Controlled<sup>(2)</sup></b>
<b>Robert Giustra</b> <i>British Columbia, Canada</i>	Executive Chairman of the Xebra Brands Ltd., Chairman of Orea Mining Corp., and President of Columbus Capital Corp.	Audit Committee	Since March 11, 2021	950,000
<b>Daniela Freitas</b> <i>British Columbia, Canada</i>	Corporate Secretary of Orea Mining Corp.; Corporate Secretary of Xebra Brands Ltd.		August 30, 2023	100,000
<b>Jorge Martinez</b> <i>British Columbia, Canada</i>	VP of Corporate Operations of Orea Mining Corp. and Chief Operating Officer of Xebra Brands Ltd.	Audit Committee	Since January 21, 2021	600,000

*Notes:*

1. None of the proposed nominees for election as a Director is proposed for election pursuant to any arrangement or understanding between the nominee and any other person.
2. "Shares Beneficially Owned or Controlled" refers to Shares beneficially owned, or controlled or directed, directly or indirectly, by each proposed Director.

*Corporate Cease Trade Orders and Bankruptcies*

Other than as set out below, none of the proposed directors (or any of their personal holding companies) of the Company:

- a) is, or during the ten years preceding the date of this Circular has been, a director, chief executive officer or chief financial officer of any company, including the Company, that:
  - i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the relevant company and which resulted from an event that occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- b) is, or during the ten years preceding the date of this Circular has been, a director or executive officer, of any company, including the Company, that while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver-manager, or trustee appointed to hold its assets; or
- c) has, within the ten years preceding the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted

any proceedings, arrangement or compromise with creditors, or had a receiver, receiver- manager or trustee appointed to hold the assets of that individual.

For the purposes of this Circular, an “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable security holder of the Company in deciding whether to vote for a proposed director.

**The Board and management consider the election of each of the Nominees to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as Management Proxyholders in the accompanying proxy will vote the Shares represented by such form of proxy, properly executed, FOR the election of each of the Nominees whose names are set forth above.**

#### **Appointment of Auditor**

Saturna Group Chartered Professional Accountants LLP (“**Saturna**”), of Vancouver, British Columbia are the auditors of the Company. At the Meeting, Shareholders will be asked to vote for the appointment of Saturna, located at 1605-1166 Alberni Street, Vancouver, BC, V6E 3Z3, Canada, as auditor of the Company to hold office until the next annual meeting of shareholders, or until a successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor. Saturna has served as auditor of the Company since its inception.

**Accordingly, unless otherwise indicated, the persons designated as Management Proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, FOR the appointment of Saturna as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.**

#### **Approval of Stock Option Plan**

The Stock Option Plan must be approved yearly by the Shareholders. Shareholders are being asked to confirm approval of the Company’s stock option plan. There have been no changes to the Stock Option Plan since it was adopted by the directors and approved by the TSX Venture Exchange (the “Exchange”) in connection with the Company’s listing as a capital pool company.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which is available for review under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) or up until the day preceding the Meeting at the Company’s registered and records offices at 2080 – 777 Hornby Street, Vancouver, British Columbia.

1. The maximum 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 common shares of the Company at the time of grant, the exercise price of which, as determined by the board of directors in

its sole discretion, shall not be less than the Market Price, as such term is defined in Policy 1.1 of the Exchange.

2. Options may be exercised anytime to and including the later of 12 months after the completion of a qualifying transaction. Any options granted and any shares acquired pursuant to the exercise of options prior to the completion of the qualifying transaction must be deposited in escrow.
3. The board of directors shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company, provided that while the Company is a capital pool company, it is prohibited from granting options to any person providing investor relations activities, promotional or market-making services and the number of options issuable to all technical consultants of the Company cannot exceed 2% of the issued and outstanding shares of the Company.
4. 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 of directors grant and announce the granting of the option. All options are non-transferable.
5. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death), or ceases to be a consultant of the Company as the case may be, then the option granted shall expire on the 90<sup>th</sup> day following the date that the option holder ceases to be a director, ceases to be employed by the Company or ceases to be a consultant of the Company or such later date up to one year, as the Board shall determine, subject to the terms and conditions set out in the Stock Option Plan, provided that if the option holder was engaged to provide investor relations services, such holder has 30 days from the date of cessation, subject to expiry date of the stock options. If the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

At the Meeting, the shareholders will be asked to pass the following resolution:

**“IT IS RESOLVED THAT** the Stock Option Plan is hereby approved and confirmed.”

### **Other Matters**

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Company will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

## STATEMENT OF EXECUTIVE COMPENSATION

### Identification of Named Executive Officers

The following are the Named Executive Officers (“Named Executive Officers” or “NEO”) for the purposes of the disclosure in this “Statement of Executive Compensation” section of the Circular, concerning the Company’s financial year ended April 30, 2023:

- a) Andrew Yau, the Company’s Chief Executive Officer and Chief Financial Officer.

### Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V, is a summary compensation (excluding compensation securities)) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company’s two most recently completed financial years.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year ended April 30</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Andrew Yau, CEO, CFO, and Director <sup>(1)</sup>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Ni	Nil
Jorge Martinez, Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Robert Giustra, Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

<sup>(1)</sup> Mr. Yau resigned as CEO, CFO and Director of the Company effective August 30, 2023.

### External Management Companies

No NEOs or directors of the Company provide their services through external management companies.

### Stock Options and Other Compensation Securities

No compensation securities were granted or issued to NEOs or directors by the Company or its subsidiaries in the year ended April 30, 2023.

The following table discloses the total amount of compensation securities held by the NEOs and directors as at the Company’s financial year ended April 30, 2023:

<b>Name and Position</b>	<b>Number of Options as at April 30, 2023</b>
Andrew Yau, CEO, CFO and Director	250,000

Jorge Martinez, Director	175,000
--------------------------	---------

No compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified in the Company's financial year ended April 30, 2023.

Except as described below, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities. As a capital pool company, all stock options granted by the Company has been deposited into an escrow agreement as required by Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual. The options and any common shares issued prior to the completion by the Company of its qualifying transaction will be released from escrow on the date of the "Final QT Exchange Bulletin".

No compensation securities were exercised by NEOs and directors during the financial year ended April 30, 2023.

### **Stock option plans and other incentive plans**

The Board adopted an incentive stock option plan for the Company, Existing Plan as defined herein, under which the directors were authorized to grant options to purchase common shares representing up to 10% of the Company's outstanding common shares as of the date of grant, from to time. At the Meeting, the Company's shareholders will be asked to re-approve the Existing Plan.

The purpose of the Existing Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options. For further information regarding the terms of the Existing Plan, refer to the heading above "*Approval of Stock Option Plan*".

### **Employment, consulting and management agreements**

The Company does not have any contracts, agreements, plans or arrangements that provides for payments to a director or 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 NEO's responsibilities.

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

The compensation of the Company's NEOs is determined by the Board. As a capital pool company, the Company is currently prohibited from paying directors, officers or other non-arm's length parties or to persons engaged in investor relations activities pursuant to policy 2.4 of the TSX Venture Exchange Corporate Finance Manual until it has completed a qualifying transaction and a final bulletin has been issued by the TSX Venture Exchange. The Company is permitted to reimburse non-arm's length parties for rent, secretarial services and other general and administrative expenses at fair market value.

As a result, the Company does not have a formal compensation program and relies upon the grant of stock options pursuant to the Existing Plan to provide compensation to the NEOs and directors. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal

interest of such persons to the interest of the shareholders. The exercise price of the stock options granted is determined by the trading price of the Company's shares at the time of grant.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

### **Pension Disclosure**

The Company does not have any pension or retirement plan which is applicable to the NEOs or directors. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out equity compensation plan information as at April 30, 2023:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	825,000	\$0.10	28,900
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>825,000</b>	<b>\$0.10</b>	<b>28,900</b>

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No individual who is, or at any time during the fiscal year ended April 30, 2023 was, a Director or executive officer of the Company, each proposed nominee for election as a Director of the Company, and each associate of any such Director, executive officer, or proposed nominee: (a) is, or at any time since the beginning of the fiscal year ended April 30, 2023 of the Company has been indebted to the Company or any of its subsidiaries; or (b) is indebted to another entity that is, or at any time since the beginning of the financial year ended April 30, 2023 of the Company has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Other than the election of Directors or the appointment of auditors, no (a) person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year;

(b) proposed nominee for election as a Director of the Company; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

## **CORPORATE GOVERNANCE DISCLOSURE**

### **General**

The term “corporate governance” refers generally to the policies and structure of a board of directors whose members are elected by and are accountable to the Shareholders of a company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as they are in the best interests of both the Company and its Shareholders and help to contribute to effective and efficient decision-making.

### **Independence of Directors**

Management is nominating three individuals to the Board, all of whom are current directors of the Company. National Instrument 58-101 and the policies of the TSX Venture Exchange require 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 Board, reasonably interfere with the exercise of a director’s independent judgement. Two of the current members of the Board are considered “independent” and one member is not considered “independent” within the meaning of NI 52-110, being Andrew Yau, the CEO and CFO of the Company. In discharging their fiduciary duties of care, loyalty and candour, Directors are expected to exercise their business judgment to act in what they reasonably and honestly believe to be the best interests of the Company and its Shareholders free from personal interests. In discharging their duties, when appropriate, the Directors normally are entitled to rely on the Company’s senior executives and its outside advisors, auditors and legal counsel but are also entitled to obtain and consider second opinions where circumstances warrant.

Directors are expected to become and remain informed about the Company and its business, properties, risks and prospects, and are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company. Directors are required to devote the time needed, and meet as frequently as necessary, to properly discharge their responsibilities.

The Board will ensure it has at all times at least the minimum number of the members of the Board who meet applicable standards of Director independence. For members of the Audit Committee, Director independence is to be determined in accordance with those legal and stock exchange independence standards applicable to the Company’s Audit Committee. For other purposes, the Board will, from time to time, establish independence standards that (i) comply with applicable legal and stock exchange requirements and (ii) are designed to ensure that the Director does not have, directly or indirectly, a financial, legal or other relationship with the Company that would reasonably interfere with the exercise of independent judgment in carrying out the responsibilities of the Director.

### **Other Directorship Positions**

Each of the following Directors is presently a director of the following issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or in a foreign jurisdiction:

Director Name	Other Directorship Positions
Robert Giustra	Orea Mining Corp. (TSX: OREA)

**Board Mandate**

The informal mandate of the Board is to oversee the management of the Company, thereby serving the best interests of the Company and its Shareholders. Periodic meetings are held by the Board to achieve this mandate.

The Board carries out its responsibilities in accordance with corporate law requirements under the Act, the Company`s Articles and its corporate governance policies described herein.

The Chairman of the Audit Committee is expected to discharge the mandate of the Audit Committee set out in the Audit Committee Charter. A formal position description has not been developed for the CEO.

**Orientation and Continuing Education**

In accordance with policy 2.4 of the TSX Venture Exchange, the Board`s practice is to recruit for the Board only persons with extensive experience in business and public company matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company`s affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

**Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company`s operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. If the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

**Nomination of Directors**

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the members of the Board.

**Compensation**

The quantity and quality of the Board compensation is reviewed on an annual basis. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee. As a capital pool company, the Company is currently prohibited from paying directors, officers or other non-arm's length parties or to persons engaged in investor relations activities pursuant to policy 2.4 of the TSX Venture Exchange Corporate Finance Manual until it has completed a qualifying transaction and a final bulletin has been issued by the TSX Venture Exchange.

See "Statement of Executive Compensation" for additional disclosure.



### **Other Board Committees**

Other than the Audit Committee, the Board does not have any standing committees. It is the opinion of the Board that additional committees are not required at this stage of the Company's development.

### **Assessments**

The Board is in a continual process of evaluating itself, its committees, and its individual Directors. The individual Directors speak regularly both within and outside formal Board meetings for the purposes of discussing the Company's goals and objectives, and evaluating its success at achieving such goals and objectives. The Board provides oversight and assessment of a number of key items, including: reviewing and approving fundamental operating, financial, and other strategic corporate plans, taking into account, among other things, the opportunities and risks of the business; evaluating the Company's performance at any given time, including whether corporate resources are being allocated appropriately; evaluating the performance, and overseeing the progress and development of senior management; taking action when required in respect of senior management oversight, including determining promotions, changing responsibilities, terminations, and creating senior management succession plans; overseeing compensation programs; evaluating the Company's systems for risk identification, assessment and management purposes; approving material transactions and commitments; determining whether the Company's governance structure allows and encourages the Board to fulfil its responsibilities and obligations; assisting the Company's senior management and providing guidance on those matters that require Board involvement or oversight; and assessing the overall effectiveness of the Board and its committees.

Individual Board members are expected to observe a high standard and it is the opinion of the Board that this standard is presently being met.

## **THE AUDIT COMMITTEE**

### **General**

The Company is required by law and applicable stock exchange policy to have an Audit Committee. This portion of the Circular provides disclosure in connection with the Company's Audit Committee. The Company's auditor is Saturna.

### **Audit Committee Charter**

The Company's Audit Committee Charter (the "**Charter**") is included as "Schedule A" to the Circular.

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

Robert Giustra, Andrew Yau and Jorge Martinez are the members of the Company's Audit Committee as of the date of this Circular. The majority of the Audit Committee's members is independent and all members are financially literate.

The Company proposes to appoint three members to the Audit Committee following the Meeting.

### **Relevant Education and Experience**

#### *All Members*

Each member of the Audit Committee has:

- a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Company's financial statements, and/or experience actively supervising individuals engaged in such activities; and
- c) an understanding of internal controls and procedures for financial reporting.

#### *Robert Giustra*

Mr. Giustra has been actively engaged in venture capital markets for 25 years. He is a former investment banker with a national investment dealer (now Canaccord Genuity). He co-founded the institutional equity sales department, and he has held senior executive positions and board seats with several publicly traded companies. Mr. Giustra is the co-founder, Chairman, and former CEO of a publicly listed gold company, which in 2015, 2017 and 2018 was selected from a peer group of some 1,200 mining companies as a TSX Venture 50 company, ranking the top 10 companies in each of the five major industry sectors that make up the TSX Venture Exchange; and in 2016 it was one of only two Metals & Mining sector companies to graduate its listing to the senior Toronto Stock Exchange, during the previous one-year period. Mr. Giustra is a former member of the TSX Venture Exchange's Local Advisory Committee.

#### *Andrew Yau*

Mr. Andrew Yau, CPA, CGA, holds a Bachelor of Commerce and Business Administration degree from the University of British Columbia and has been in accounting and finance roles with publicly listed companies since 2006. Mr. Yau previously held senior financial positions with several Toronto Stock Exchange and TSX Venture Exchange listed companies, where he was responsible for all aspects of finance, accounting, tax, banking, regulatory reporting, and internal controls.

#### *Jorge Martinez*

Mr. Martinez has over 20 years of experience in business management and corporate communications, particularly in the natural resource and technology sectors. He has held executive roles with both private and publicly traded companies in the United States, Canada, and Latin America specializing in corporate operations and efficiency. Mr. Martinez holds a BA from the University of Miami with concentrations in Electrical Engineering and Business Administration, and further studies in Management at the University of British Columbia.

#### **Audit Committee Oversight**

At no time since the commencement of the Company's financial year ended April 30, 2023 has a recommendation of the Audit Committee to nominate or compensate an external auditor have been declined by the Board.

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

All services to be performed by the Company's independent auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence and has adopted an informal policy

governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any *de minimus* non-audit services allowed by applicable law or regulation.

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Saturna to the Company to ensure auditor independence. Fees incurred with Saturna for audit and non-audit services in the last two financial years for audit fees are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended April 30, 2023</b>	<b>Fees Paid to Auditor in Year Ended April 30, 2022</b>
Audit Fees <sup>(1)</sup>	\$7,000	\$5,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$600	Nil
All Other Fees <sup>(4)</sup>	Nil	1,500
<b>Total</b>	<b>\$7,600</b>	<b>\$6,500</b>

*Notes:*

1. “**Audit Fees**” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
2. “**Audit-Related Fees**” include services that are traditionally performed by the auditor. These audit-related services 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 fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. 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 all other non-audit services.

### **Exemption**

Since the Company is a “Venture Issuer” pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

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

To the knowledge of management of the Company, no Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or proposed Director of the Company, or any associate or affiliate of the aforementioned persons had any material interest in any transaction since the commencement of the Company’s financial year ended April 30, 2023 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## **MANAGEMENT CONTRACTS**

Other than as disclosed elsewhere in this Circular, 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.

## **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgement on such matter.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information regarding the Company is provided in the Company's comparative financial statements and management discussion and analysis for its financial year ended April 30, 2023. While Shareholders are encouraged to obtain the Company's financial documents on SEDAR, the Company will provide to any person or company, upon request to the Corporate Secretary of the Company, one copy of any of the financial statements of the Company filed with the applicable securities regulatory authorities for the Company's financial year ended April 30, 2023 in respect to for which such financial statements have been issued, together with the report of the auditor, related management's discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of documents may be obtained by a Shareholder without charge upon request to the Corporate Secretary of the Company at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, telephone 604-638-3474. The Company may require the payment of a reasonable charge from any person or company who is not a Shareholder of the Company, who requests a copy of any such document.

## **APPROVAL BY THE BOARD**

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

### **BY ORDER OF THE BOARD OF DIRECTORS**

**(signed) "Robert Giustra"**

Robert Giustra, Director

August 30, 2023  
Vancouver, British Columbia

**SCHEDULE A**

**THE AUDIT COMMITTEE CHARTER**

## **SHELLRON CAPITAL LTD.**

### **AUDIT COMMITTEE CHARTER**

#### **1.0 Purpose of the Committee**

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

#### **2.0 Members of the Committee**

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the 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.

#### **3.0 Meeting Requirements**

3.1 The Audit Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically and shall be at such times and places as the Audit Committee determines. Without meeting, the Audit Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Audit Committee shall constitute a quorum.

#### **4.0 Duties and Responsibilities**

4.1 The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention, or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;

- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying MD&A, including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor all related party transactions which may be entered into by the Company; and

(p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

## **5.0 *Miscellaneous***

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Audit Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Audit Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.