

# CANADIAN MANGANESE

## **Annual Meeting of Shareholders**

to be held Wednesday, June 15, 2022

4:00 PM (Toronto Time)

## **Management Information Circular**

Dated April 29, 2022

# CANADIAN MANGANESE

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## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Annual Meeting (the “**Meeting**”) of the shareholders of Canadian Manganese Company Inc. (“**Canadian Manganese**” or the “**Company**”) will be held on Wednesday, June 15, 2022 at 4:00 PM (Toronto time) for the following purposes:

1. to receive the financial statements of the Company for the financial year ended December 31, 2021, together with the report of the auditor thereon;
2. to elect Directors;
3. to appoint the auditor for the ensuing year and to authorize the Directors to fix its remuneration; and
4. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

### **ATTENDING THE ANNUAL MEETING**

The Annual Meeting will be a virtual format conducted solely online via live webcast to provide a safe and widely accessible experience for our shareholders and employees.

In order to attend the Meeting virtually, shareholders are required to log in to Web Link: <http://momentum.adobeconnect.com/canadianmanganese/> at least fifteen (15) minutes prior to the start of the Meeting. You may also log on to the Annual Meeting by dialing 416-764-8658 or Toll-Free in North America 1-888-886-7786.

### **NO VOTES WILL BE ACCEPTED AT THE MEETING.**

The Management Information Circular (the “**Circular**”) has been prepared to help you make an informed decision on the matters to be voted on at the Meeting. Please review the Circular carefully before voting.

Shareholders are encouraged to complete, date, sign, and return the enclosed Proxy in accordance with the instructions set out in the Proxy and the Circular.

**DATED** at Toronto, Canada as of April 29, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

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**John F. Kearney**  
*Chairman*

## MANAGEMENT INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Canadian Manganese Company Inc. (“Canadian Manganese” or the “Company”) for use at the Annual Meeting of Shareholders of the Company (the “Meeting”) to be held on Wednesday, June 15, 2022 at 4:00 PM (Toronto Time), for the purposes set out in the accompanying Notice of Meeting. It is expected that the solicitation will be made primarily by mail. Proxies may be solicited by officers, directors and regular employees of the Company personally or by telephone. The cost of such solicitation will be borne by the Company.

### NOTICE AND ACCESS

The Company has elected to use the notice and access provisions (“Notice and Access Provisions”) for the Meeting pursuant to National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”). The Notice and Access provisions allow the Company to post proxy-related materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. Shareholders will receive a Notice of Meeting and a form of proxy or voting instruction form and may choose to receive a printed paper copy of the Information Circular.

Meeting materials including the Circular and the Company’s Audited Consolidated Financial Statements for the year ended December 31, 2021 and the Company’s Management Discussion and Analysis (“MD&A”) for the year ended December 31, 2021, are available on the Company website at [www.CanadianManganese.com](http://www.CanadianManganese.com) and under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Company is not using procedures known as ‘stratification’ in relation to the Notice and Access Provisions. Stratification occurs when a reporting issuer using the Notice and Access Provisions provides a paper copy of the Information Circular to some, but not all, shareholders with the Notice of Meeting.

Shareholders who do not receive a paper copy of the Meeting Materials may request a copy from the Company. Requests for paper copies of the Meeting Materials must be received at least five (5) business days in advance of the proxy deposit date and time, being 4:00 PM (Toronto Time) on June 8, 2022 and the Company will mail the requested materials within three (3) business days of the request.

### ATTENDING THE ANNUAL MEETING

The Annual Meeting will be a virtual format conducted solely online via live webcast to provide a safe and widely accessible experience for our shareholders and employees.

In order to attend the Meeting virtually, shareholders are required to log in to Web Link: <http://momentum.adobeconnect.com/canadianmanganese/> at least fifteen (15) minutes prior to the start of the Meeting. You may also log on to the Annual Meeting by dialing 416-764-8658 or toll-free in North America 1-888-886-7786.

It is recommended that shareholders and proxyholders submit their questions as soon as possible during the Meeting so they can be addressed at the right time. Questions may be submitted in writing by using the relevant dialog box in the function “Ask a question” during the Meeting. Only shareholders and duly appointed and registered proxyholders may ask questions during the question period.

General questions will be addressed by the Chairman of the Meeting and other members of Management at the end of the Meeting during the question period.

The Meeting materials, including the Circular, are available on the Company’s website at [www.CanadianManganese.com](http://www.CanadianManganese.com) and will remain on the website for at least one year from the date of the Meeting. The Meeting materials are also available on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

A shareholder may also contact the Company by email to [investors@CanadianManganese.com](mailto:investors@CanadianManganese.com) to request and receive a copy of the Audited Consolidated Financial Statements and MD&A for the year ended December 31, 2021.

#### APPOINTMENT OF PROXY

The individuals named in the accompanying form of proxy (the “**Proxy**”) as proxyholders, are Officers and/or Directors of the Company. If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a shareholder, to act for you on your behalf. You may do so either by inserting the name of that other person in the blank space provided by the Proxy or by completing and delivering another suitable form of proxy.

#### **Voting by Proxyholder**

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

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

**IN RESPECT OF A MATTER FOR WHICH A CHOICE IS NOT SPECIFIED IN THE PROXY, THE PERSONS NAMED IN THE PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR AS IDENTIFIED IN THE PROXY, AS APPLICABLE.**

### **Voting by Beneficial Holders of Common Shares**

A Registered Shareholder has the right to vote, and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a Company, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the provisions of the Business Corporations Act (Ontario), the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), Proxy Department, 100 University Avenue, 8th Floor, 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.

Only Shareholders as of the close of business on the record date of April 29, 2022 are entitled to vote at the Meeting by proxy. If you are a registered Shareholder, please date and execute the accompanying form of proxy and return it in the envelope provided to the Company's registrar and transfer agent, Computershare, Proxy Department, 100 University Avenue, 8th Floor, 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. If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

### **Voting by Non-Registered/Beneficial Shareholders**

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold their Common Shares in their own name and are considered non-registered beneficial Shareholders. Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("Non-Registered Shareholders") because the Common 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 they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either:

- (i) in the name of an intermediary ("Intermediary") (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators or self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans) that the Non-Registered Shareholder deals with in respect of the Common Shares; or

- (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“CDS”)) of which the Intermediary is a participant. Non-Registered Holders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. In accordance with applicable securities law requirements, the Company will have distributed copies of the Meeting Materials to the clearing agencies and Non-Registered Shareholders, or Intermediaries for onward distribution to Non-Registered Shareholders, as applicable. If you are a Non-Registered Holder, your Intermediary will be the entity legally entitled to vote your Common Shares at the Meeting. Common Shares held by an Intermediary can only be voted upon the instructions of the Non-Registered Holder. Without specific instructions, Intermediaries are prohibited from voting Common Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting; or
- (ii) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, or to have another person vote on behalf of the Non-Registered Shareholder, the Non-Registered Shareholder should strike out the person's named in the voting instruction form and insert the Non-Registered Shareholder or such other person's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.

Non-Registered Holders may be either "objecting beneficial owners" ("OBOs") or "non-objecting beneficial owners" ("NOBOs"), as such terms are defined in NI 54-101. The Company is not mailing directly to NOBOs and has forwarded the Meeting Materials to the Intermediaries to do so.

#### **Objecting Beneficial Owner ("OBOs")**

With respect to OBOs, in accordance with applicable securities law requirements, the Company has provided copies of the Meeting materials to the clearing agencies and Intermediaries for distribution to OBOs. The Company does not intend to pay for Intermediaries to deliver the Meeting materials.

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

The solicitation of proxies involves securities of an issuer located in Canada and is being affected in accordance with the corporate laws of Canada and securities laws of the provinces in 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*, as amended, certain of its directors and its executive officers are residents of Canada and countries other than the United States, and all the assets of the Company and a substantial portion of 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.

#### **REVOCATION OF PROXY**

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 Proxy may be revoked by instrument in writing, including a Proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a Company, under its corporate seal or by an officer or attorney thereof duly authorized. 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 holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

#### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of Common Shares in the capital of the Company (“**Common Shares**”) of record at the close of business on April 29, 2022 will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy, except to the extent that such holder has transferred any Common Shares after the record date and the transferee of such Common Shares establishes proper ownership thereof and demands, not later than ten days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee is entitled to vote.

As at the date of this Circular, the Company had 144,909,580 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share.

To the knowledge of the directors and executive officers of the Company, the following table sets out the names of all persons who beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the outstanding Common Shares:

Name	Shares Held	% Held
Peter Steele	26,315,705	18.2%

Note: Peter Steele controls Genesis Industries Corporation Ltd. (2,222,815 shares), JMEC Holdings Inc. (16,049,310 shares), and KDHL Holdings Inc. (8,043,580 shares).

As at the date hereof, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly approximately 13,453,259 Common Shares, representing approximately 9.3% of the outstanding Common Shares.

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

Except as described elsewhere in this Circular, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Company who has held such position at any time since the beginning of the Company’s last financial year, (b) any proposed nominee for election as a director of the Company, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

## MAJORITY VOTING POLICY DISCLOSURE

As required by the policies of the NEO Exchange, the Board of Directors of the Company adopted a majority voting policy (the "**Majority Voting Policy**"). In accordance with the requirements of the NEO Exchange, the Majority Voting Policy provides as follows:

- (a) Any director must immediately tender his or her resignation to the Board if he or she is not elected by a majority of the votes cast with respect to his or her election;
- (b) The Board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting and the Board shall accept the resignation absent exceptional circumstances;
- (c) The resignation will be effective when accepted by the Board;
- (d) A director who tenders a resignation pursuant to the Majority Voting Requirement will not participate in any portion of the meeting of the Board or any sub-committee of the Board at which the resignation is considered; and
- (e) The Company shall promptly issue a news release with the Board's decision, a copy of which must be filed with the NEO Exchange (if the Board determines not to accept a resignation, the news release must fully state the reasons for that decision).

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### 1. PRESENTATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the year ended December 31, 2021 together with the Auditor's Report thereon are available on the Company's website at or under the Company's profile on SEDAR at [www.CanadianManganese.com](http://www.CanadianManganese.com) or [www.sedar.com](http://www.sedar.com). Shareholders will be given an opportunity to discuss these results with management at the Meeting.

### 2. ELECTION OF DIRECTORS

In November 2021, the Board approved a Majority Voting Policy, as described further above.

Under the constating documents of the Company, the Board is to be elected annually.

At the Meeting, shareholders will be asked to approve an ordinary resolution for the election of the eight proposed directors as directors of the Company (the "**Nominees**"). Each director elected will hold office until the termination of the next annual meeting of shareholders of the Company, or any adjournment thereof, or until their successors are duly elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Company.

Management does not contemplate that any of the Nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying Proxy to vote the Proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. Each Director elected will hold office until the close of the first annual meeting of shareholders of the Company following his or her

# CANADIAN MANGANESE

election or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Company. Management proposes to nominate the following eight individuals for election to the Board at the Meeting.

The following table sets out the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Company held by each of them, the year in which each was first elected a director of the Company (where applicable), the principal occupation or employment of each of them for the past five years, and the approximate number of Common Shares that each has advised are beneficially owned (directly or indirectly) or subject to his or her control or direction:

Name, place of residence and position with the Company	Principal occupation during past five years	Director or Officer of Issuer since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Common Shares (undiluted) <sup>(2)</sup>
Matthew Allas <i>Toronto, Ontario, Canada</i> Director, President, and Chief Executive Officer	President and CEO of Maximos; Investment Banker	April 30, 2021	5,780,017	4.0%
John Allan <sup>(3)(4)(5)</sup> <i>St. John's, Newfoundland and Labrador, Canada</i> Director	Independent Businessman	June 24, 2021	299,615	0.02%
Janis Byrne Q.C. <i>St. John's, Newfoundland and Labrador, Canada</i> Nominee for Director	Lawyer, Executive Vice President - Legal Pennecon Limited	Nominee	Nil	Nil
John Hurley <sup>(3)(5)</sup> <i>Conception Bay South, Newfoundland and Labrador, Canada</i> Director	President & CEO, Trinity Resources Ltd.	June 26, 2020	Nil	Nil
John F. Kearney <sup>(4)(5)</sup> <i>Toronto, Ontario, Canada</i> Chairman and Director	Mining Executive Chairman and CEO of Buchans Resources Limited, Labrador Iron Mines Holdings Limited and Anglesey Mining plc	Dec. 31, 2017	3,658,079	2.5%
Labi Kousoulis <i>Halifax, Nova Scotia, Canada</i> Nominee for Director	President Nichent Health Inc., Former Member of Legislative Assembly of Nova Scotia	Nominee	10,000	0.00%

# CANADIAN MANGANESE

Aiden F. Carey <sup>(3)(4)</sup> <i>Whitby, Ontario, Canada</i> Director	Mining Consultant Senior Vice President Operations of Labrador Iron Mines Holdings Limited	June 26, 2020	Nil	Nil
Danesh Varma <i>Kingston, United Kingdom</i> Director	Chartered Professional Accountant CFO of Buchans Resources Limited and Anglesey Mining plc	July 16, 2013	3,705,548	2.6%

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Based on 144,909,580 Common Shares issued and outstanding as at the date of this Circular.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Nominating and Corporate Governance Committee.

### ***Nominees' Principal Occupations***

The principal occupations of the director nominees during the past five years are as follows:

**John F. Kearney, Chairman** – Mr. Kearney, Chairman, is a mining executive with over 50 years of experience in the mining industry. He is currently a director or senior officer of numerous mineral ventures including, Buchans Resources Limited, Labrador Iron Mines Holdings Limited, and Anglesey Mining Plc. He holds degrees in law and economics from the University College Dublin and a Masters in Business Administration from Trinity College Dublin. He is a member of the Law Society of Ireland and the Canadian Institute of Mining and Metallurgy.

**W. Matthew Allas, President, CEO, and Director** – Mr. Allas was appointed the President and Chief Executive Officer of the Company on May 5, 2021, having previously been the President and Chief Executive Officer of Maximos Metals Corp. since 2018. Prior to his involvement with Maximos, Mr. Allas was an investment banker and investment professional in the natural resource industry where he advised numerous companies on growth and financing strategies. Mr. Allas holds a Bachelor of Arts (Economics, Physics) degree from Mount Allison University.

**John Allan, Director** – Mr. Allan has been involved in private business for over 40 years in Atlantic Canada, including ownership of numerous companies ranging from heavy civil construction, equipment parts, protective clothing for mining and offshore personnel, as well as commercial and residential real estate development. Over the past decade, Mr. Allan has developed solid relationships with federal, provincial and municipal governments.

**Aiden Carey, Director** – Mr. Carey is a Mining Consultant and Senior Vice President, Operations of Labrador Iron Mines Holdings Limited since 2011 where he was responsible for LIM's operating functions, including mining and processing, operations and transportation. Prior to 2011, Mr. Carey held senior operating roles with Barrick Gold, Cliffs Natural Resources' Wabush Mines and Cliffs' Michigan operations.

# CANADIAN MANGANESE

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**John Hurley, Director** – Mr. Hurley is President and Chief Executive Officer of Trinity Resources, a private company operating a world-class pyrophyllite mine in Newfoundland which supplies aluminum silicate products to various industries worldwide. With over 24 years of experience in the mining and industrial minerals industry, Mr. Hurley’s business development initiatives have spanned 14 countries. He holds a Bachelor of Science degree with a major in Chemistry from Memorial University, Newfoundland and Labrador.

**Danesh K. Varma, Director** – Mr. Varma is a Chartered Professional Accountant with over 32 years of experience in the mining finance industry, having been a director of American Resource Company, Northgate Exploration Ltd. and Westfield Minerals Ltd. Mr. Varma holds directorships with Buchans Resources Limited, Labrador Iron Mines Holdings Limited, Brookfield Investment Corp., and Anglesey Mining Plc. Mr Varma was CFO of the Company until early May 2021.

**Janis Byrne Q.C., ICD.D, Nominee** – Ms. Byrne is a Lawyer and Corporate Director and is currently Executive Vice President - Legal Pennecon Limited, a large privately owned conglomerate based in eastern Canada. Ms. Byrne is currently a member of the Board of Directors of the Atlantic Lottery Corporation where she is Chair of the People & Culture Committee and a member of the Governance Committee; and the Interprovincial Lottery Corporation, a Canadian organization jointly owned by the five provincial lottery corporations. Ms. Byrne also serves on the Board of the Newfoundland and Labrador Liquor Corporation as Chair of the Regulatory Committee and a member of the Governance and Human Resources Committee. Ms. Byrne is actively engaged in her community, currently serving as a Director of Junior Achievement Newfoundland and Labrador and Cabinet Member, The SPCA Way Home Capital Campaign. She recently served as Chair of the St. John’s Board of Trade and is a member of the International Women’s Forum of Canada and has been a speaker at leadership and legal conferences throughout Canada. Ms. Byrne was awarded the Queen’s Counsel in 2020 and is a member in good standing with the Law Society of Newfoundland and Labrador and the Canadian Bar Association.

**Labi Kousoulis, FCPA-FCMA, Nominee** – Mr. Kousoulis is President of Nichent Health Inc. From 2013 to 2021, Mr. Kousoulis served as a Member of the Legislative Assembly of Nova Scotia and served in various Ministerial roles. His most recent roles were Minister of Finance and Treasury Board, Minister of Business and Minister of Trade. Mr. Kousoulis graduated from Saint Mary’s University with Bachelor of Commerce and Master of Business Administration degrees and is a Certified Management Accountant.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve.

### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director, or nominee for election as a director, is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets except as follows:

Messrs. Kearney, Varma and Carey are Directors and/or Officers of Labrador Iron Mines Holdings Limited which on April 2, 2015, instituted proceedings in the Ontario Superior Court of Justice for a financial restructuring under the *Companies' Creditors Arrangement Act* and had a plan of arrangement sanctioned by the Court on December 14, 2016, having been approved by creditors on December 6, 2016.

### Personal Bankruptcies

No proposed Director has within the ten years prior to the date hereof become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director.

### Conflicts of Interest

There are no material transactions with or involving the Directors, executive officers, promoters or principal holders of securities of the Company that have occurred since incorporation. Some of the Directors and officers of the Company are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other companies, and situations may arise where these Directors and officers will be in direct competition with the Company. Certain of the Company's Directors and officers also serve as Directors and/or officers of companies which may enter into contracts with the Company in the future. In the event that this occurs, a conflict of interest will exist. Directors in a conflict-of-interest position are required to disclose such conflicts to the Company.

The Directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any material contract or material transaction. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

The Directors and Officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest in respect of the Company and are required to comply with such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

## EXECUTIVE COMPENSATION

### Named Executive Officers

A Named Executive Officer (“**NEO**”) of the Company means each of the following individuals:

- a. a chief executive officer (“**CEO**”) of the Company;
- b. a chief financial officer (“**CFO**”) of the Company;
- c. if applicable, each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 – Statement of Executive Compensation; and
- d. each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2021, the Company had the following NEOs: John F. Kearney Chairman and CEO (until May 5, 2021), Matthew Allas, President and CEO (appointed May 5, 2021), Danesh K. Varma CFO (until May 5, 2021) and Richard Pinkerton, Chief Financial Officer (appointed May 5, 2021).

### Compensation Discussion and Analysis

In 2021, in view of the increased activity and improved financial position of the Company, and the appointment of new management including a full time CEO and a CFO, the Company changed its compensation policies. The Company established a compensation committee (the “**Compensation Committee**”). The Compensation Committee is comprised of a majority of independent directors. The current members of the Compensation Committee are John F. Kearney (Chairman), John Allan and Aiden Carey.

### Objectives of Executive Compensation

The general compensation philosophy is to provide a level of compensation for Executive Officers, that is competitive within the North American marketplace and that will attract and retain individuals with the experience and qualifications necessary for the Company to be successful, and to provide long-term incentive compensation which aligns the interest of Executives with those of shareholders and provides long-term incentives to members of senior management whose actions have a direct and identifiable impact on the performance of the Company and who have material responsibility for long-range strategy development and implementation.

## **Compensation of Named Executive Officers**

### **Principles of Executive Compensation**

When determining the compensation of the Named Executive Officers, the Board, at the recommendation of the Compensation Committee, considers the available resources of the Company and (i) reviews and approves goals and objectives relevant to the CEO's compensation; (ii) evaluates the CEO's performance with respect to those goals and objectives; (iii) recommends the CEO's compensation (both cash-based and equity-based); (iv) reviews and approves incentive compensation plans and equity-based plans; and (v) makes recommendations to the Board with respect to compensation of other senior officers and with respect to compensation of directors.

### **NEO Compensation**

The compensation payable to the Named Executive Officers consists of salaries, annual incentives and long term incentives in the form of stock options and restricted share units.

Effective May 5, 2021, the Company agreed to pay Matthew Allas, President and Chief Executive Officer, a salary of \$16,667 per month and agreed to pay Richard Pinkerton, Chief Financial Officer, a salary of \$8,500 per month. 2348035 Ontario Corp (a company controlled by Matthew Allas) also receives a monthly management fee in the amount of \$4,167. Energold Minerals Inc. (a company controlled by John F. Kearney) receives a management fee in the amount of \$5,000 per month.

The Company does not currently have a formal incentive bonus plan in place. Any award of a bonus to Named Executive Officers is at the discretion of the Board based upon recommendation by the Compensation Committee. In considering the payment of a bonus to any Named Executive Officer, the Compensation Committee would consider the individual performance and efforts of the executive, the progress made by the Company in furthering its business plans and the overall financial position of the Company.

No bonuses were paid to the Named Executive Officers during the year ended December 31, 2021.

The Company's objectives of executive compensation will be to provide total compensation packages to senior executive officers to ensure senior management is appropriately engaged and retained and to provide a level of base compensation that is competitive within the North American marketplace and that will attract and retain individuals with the experience and qualifications necessary for the management of the Company's business.

### **Long-Term Incentive (LTI) Awards**

The Company provides longer-term incentive compensation, through the grant of stock options, or other stock appreciation rights, to members of senior management whose actions have a direct and identifiable impact on the performance of the Company and who have material responsibility for long-range strategic development and implementation which aligns the interests of senior management with the interests of shareholders. The grant of restricted share units also form part of the equity component portion of the total remuneration of directors and senior executive officers.

**SUMMARY COMPENSATION TABLE**

The following table sets out all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years, in respect of each of the individuals comprised of the CEO and the CFO (who acted in such capacity for all or any portion of the most recently completed financial year), and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the CEO and the CFO), as at December 31, 2021 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
John F. Kearney Chairman Former CEO <sup>(1)</sup>	2021	60,000	157,500	93,500	-	-	-	-	311,000
	2020	60,000	-	-	-	-	-	-	60,000
	2019	-	-	-	-	-	-	-	-
Matthew Allas President & CEO <sup>(2)</sup>	2021	166,667	56,250	93,500	-	-	-	-	316,417
	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-
Richard Pinkerton CFO <sup>(3)</sup>	2021	68,000	22,500	74,800	-	-	-	-	165,300
	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-
Danesh Varma Former CFO <sup>(4)</sup>	2021	3,000	16,875	28,050	-	-	-	-	47,925
	2020	12,000	-	-	-	-	-	-	12,000
	2019	-	-	-	-	-	-	-	-

Notes:

1. John F. Kearney was CEO until May 5, 2021 and continues as Chairman. Mr. Kearney's compensation is paid by way of a management fee to Energold Minerals Inc., a company controlled by Mr. Kearney.
2. Matthew Allas was appointed President and CEO on May 5, 2021 with an annual compensation of \$250,000, \$200,000 of which is payable as salary and \$50,000 of which is payable as a management fee to 2348035 Ontario Corp., a company controlled by Mr. Allas.
3. Richard Pinkerton was appointed CFO on May 5, 2021 with an annual salary of \$102,000.
4. Danesh Varma resigned as CFO on May 5, 2021.

**INCENTIVE PLAN AWARDS**

The following table shows all awards outstanding to each Named Executive Officer as at December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
John F. Kearney, Chairman Former CEO	500,000	0.25	June 30, 2026	-	-	-	157,500
Matthew Allas, President & CEO	1,666,875 500,000	0.18 0.25	June 30, 2025 June 30, 2026	75,009	125,000	28,125	28,125
Richard Pinkerton, CFO	400,000	0.25	June 30, 2026	-	50,000	11,250	11,250
Danesh Varma, Former CFO	150,000	0.25	June 30, 2026	-	-	-	16,875

**Incentive plan awards – value vested or earned for the year ended December 2021.**

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John F. Kearney, Chairman Former CEO	-	157,500	-
Matthew Allas, President & CEO	-	28,125	-
Richard Pinkerton, CFO	-	11,250	-
Danesh Varma, Former CFO	-	16,875	-

## Stock Options and Other Compensation Securities

### *Options*

The Company maintains a stock option plan (the “**Stock Option Plan**”). The Stock Option Plan is considered a “rolling” stock option plan, which reserves a maximum of 10% of the Company's total outstanding Common Shares at the time of grant for issuance pursuant to the Stock Option Plan. As of the date hereof, there are 7,928,440 options of the Company outstanding exercisable into Common Shares.

Pursuant to the acquisition of Maximos on April 30, 2021, the Company granted 5,278,440 options (the “**Replacement Options**”) in replacement of previously issued options of Maximos. The Replacement Options are exercisable at \$0.18 per Common Share until June 30, 2025.

Effective June 30, 2021, the Company granted 2,650,000 options to directors, employees and eligible consultants exercisable at \$0.25 per Common Share until June 30, 2026.

The term of any options granted under the Stock Option Plan is fixed by the Board and may not exceed five years. The options are non-assignable and non-transferable.

The exercise price of options granted under the Stock Option Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in any recognized exchange's policy and/or manual or such other minimum price in accordance with such policies from time to time.

There was no exercise of stock options by a Director or Named Executive Officer during the year ended December 31, 2021.

### *Restricted Share Units*

On June 24, 2021, shareholders of the Company approved a Restricted Share Unit Plan (the “**RSU Plan**”) under which the Company may issue up to 3% of its issued capital (on a rolling basis) as Restricted Share Units (each, an “**RSU**”) to eligible directors, officers, employees and consultants.

The RSU Plan was adopted to provide remuneration and long-term incentives to the Company's directors, executives, employees and service providers, while preserving the Company's cash, and to align the interests of such persons with the long term interests of shareholders. Upon vesting, each RSU entitles the grantee the right to receive, during the payout election period, after deduction of any applicable taxes and other required source deductions, one fully paid common share of the Company, or the then equivalent value in cash, at the Company's discretion.

Effective June 30, 2021, the Board of Directors approved the grant of a total of 1,700,000 RSUs to directors, officers, management, employees and consultants pursuant to the RSU Plan. Of these, 1,350,000 RSUs vested immediately and 350,000 RSUs vested on March 31, 2022. All the RSUs granted expire on December 31, 2024. As of the date hereof, 75,000 of these RSUs have been elected for payout.

Effective March 31, 2022, 240,000 RSUs were granted to a service provider. 50% of these RSUs vested immediately with the remaining 50% vesting on June 30, 2022. As of the date hereof, 120,000 of these RSUs have been elected for payout.

As of the date hereof, the Company has 1,745,000 RSUs outstanding.

Each RSU conditionally entitles the participant to receive one Common Share (or the cash equivalent, at the Company's discretion) upon attainment of the RSU vesting criteria. The Company may impose additional conditions to any RSU award.

### ***Deferred Share Units***

The Company also maintains a Deferred Share Unit Plan ("**DSU Plan**"), pursuant to which it may issue Deferred Share Units ("**DSUs**") to non-executive directors of the Company. As of the date hereof, the Company has no DSUs outstanding.

Generally, a participant in the DSU Plan shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the date upon which the non-executive director ceases to hold any position as a director of the Company. Redemptions under the DSU Plan may be in Common Shares (or the cash equivalent, at the Company's discretion).

### **Termination and Change of Control Benefits**

Other than as disclosed below, the Company does not have in place any employment, consulting or management agreements between the Company, or any subsidiary or affiliate thereof, and its Named Executive Officers.

The Company entered into an employment agreement dated July 1, 2020 with John Kearney, Chairman, for his continuing services as an officer and director of the Company (the "**Kearney Agreement**") under which Mr. Kearney is entitled to an annual compensation of \$60,000 payable as a management fee to Energold Minerals Inc, a company controlled by Mr. Kearney. Should Mr. Kearney's services with the Company be terminated without cause, Mr. Kearney is entitled to receive an amount equal to 100% of his then current annual compensation. In the event of a Change of Control and subsequent termination by the Company without cause, or the resignation of Mr. Kearney within six months of the Change of Control, Mr. Kearney is entitled to receive an amount equal to 200% of his then current annual compensation. A "Change of Control" is defined in the Kearney Agreement as the acquisition by any entity, directly or indirectly, of not less than fifty percent (50%) of the outstanding voting securities of the Company or the acquisition of such number of securities that are sufficient, if exercised, to elect a majority of the Company's Board.

W. Matthew Allas was appointed as President and CEO of the Company on May 5, 2021. The Company has entered into an Employment Agreement with Matthew Allas (the "**Allas Agreement**") under which Mr. Allas is entitled to an annual salary of \$200,000. Should Mr. Allas' employment with the Company be terminated without cause, Mr. Allas is entitled to receive an amount equal to 100% of his then current

annual salary. In the event of a Change of Control and subsequent termination by the Company without cause, or the resignation of Mr. Allas within six months of the Change of Control, Mr. Allas is entitled to receive an amount equal to 250% of his then current annual salary. A "Change of Control" is defined in the Allas Agreement as the acquisition by any entity, directly or indirectly, of not less than fifty percent (50%) of the outstanding voting securities of the Company or the acquisition of such number of securities that are sufficient, if exercised, to elect a majority of the Company's Board.

The Company has also entered into a management services agreement with 2348035 Ontario Corp., a company which is controlled by W. Matthew Allas, to provide management services to the Company for a management fee for of \$50,000 per year.

Richard Pinkerton was appointed Chief Financial Officer of the Company on May 5, 2021. The Company has entered into an Employment Agreement with Richard Pinkerton (the "**Pinkerton Agreement**") under which Mr. Pinkerton is entitled to an annual salary of \$102,000. Should Mr. Pinkerton's employment with the Company be terminated without cause, Mr. Pinkerton is entitled to receive an amount equal to 100% of his then current annual salary. In the event of a Change of Control and subsequent termination by the Company without cause, or the resignation of Mr. Pinkerton within six months of the Change of Control, Mr. Pinkerton is entitled to receive an amount equal to 250% of his then current annual salary. A "Change of Control" is defined in the Pinkerton Agreement as the acquisition by any entity, directly or indirectly, of not less than fifty percent (50%) of the outstanding voting securities of the Company or the acquisition of such number of securities that are sufficient, if exercised, to elect a majority of the Company's Board.

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

The following is a summary of shares subject to options outstanding under the Company's Stock Option Plan and Restricted Share Unit Plan and Warrants as at December 31, 2021.

##### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders			
Warrants	4,778,336	0.19	N/A
Stock Options	7,928,440	0.20	6,562,518 <sup>(1)</sup> <sup>(2)</sup>
Restricted Share Units	1,700,000	N/A	2,647,287 <sup>(1)</sup> <sup>(2)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>14,406,776</b>	<b>N/A</b>	

(1) Subject to the maximum number of shares issuable pursuant to all equity compensation plans, in aggregate, not exceeding 10% of the total number of outstanding shares at any time.

(2) Based on the number of Common Shares issued and outstanding as at the date of this Circular.

As at the date of this Circular there are 144,909,580 Common Shares of the Company issued and outstanding and accordingly, the maximum number of options which may be issued under the Company's Stock Option Plan as of the date of this Circular is 14,490,958.

As of the date of this Circular, 6,562,518 options remain available for future issuance issued under the Company's Stock Option Plan and other equity compensation plans, subject to the maximum number of shares issuable pursuant to all equity compensation plans, in aggregate, not exceeding 10% of the total number of outstanding shares at any time.

#### Pension, Defined Benefit or Actuarial Plans

The Company does not provide any form of group pension plan benefits to employees, officers, or directors.

#### DIRECTOR COMPENSATION

The following table shows director compensation for each director, other than directors that are also Named Executive Officers, for the year ended December 31, 2021.

As of December 31, 2021, the Board had not adopted a compensation program for its directors with respect to general directors' duties, meeting attendance or for additional service on Board committees. Directors are entitled to be reimbursed for reasonable out-of-pocket expenses incurred in attending board, committee or Shareholder meetings or otherwise incurred in carrying out their duties as directors. Directors have been granted stock options.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John Allan Director	-	16,875	28,050	-	-	-	44,925
John Hurley Director	-	16,875	28,050	-	-	-	44,925
Aiden Carey Director	-	16,875	28,050	-	-	-	44,925

**Outstanding share-based awards, option-based awards and non-equity incentive plan compensation**

The following table shows all option-based and share-based awards outstanding to each director, other than those that are also Named Executive Officers, as at December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
John Allan Director	150,000	0.25	June 30, 2026	-	-	-	16,875
John Hurley Director	150,000	0.25	June 30, 2026	-	-	-	16,875
Aiden Carey Director	150,000	0.25	June 30, 2026	-	-	-	16,875

**Incentive plan awards – value vested or earned during the year**

The following table shows all incentive plan award values vested or earned for each director, other than those that are Named Executive Officers, during the year ended December 31, 2021.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John Allan, Director	-	16,875	-
John Hurley, Director	-	16,875	-
Aiden Carey, Director	-	16,875	-

**RE-APPOINTMENT OF AUDITOR**

The Directors propose to nominate McGovern Hurley LLP, Chartered Professional Accounts, the present auditor, as the auditor of the Company to hold office until the close of the next annual meeting of shareholders. McGovern Hurley LLP were first appointed in 2013.

In the past, the Directors have negotiated with the auditor of the Company on an arm’s length basis in determining the fees to be paid to the auditor. Such fees have been based on the complexity of the matters in question and the time incurred by the auditor. The directors believe that the fees negotiated in the past with the auditor of the Company were reasonable and, in the circumstances would be comparable to fees charged by another auditor providing similar services.

In order to appoint McGovern Hurley LLP as auditor of the Company to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

The management representatives named in the attached form of proxy intend to vote **FOR** the appointment of McGovern Hurley LLP as auditor of the Company and in favour of authorizing the directors to fix the remuneration of the auditor, unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of the appointment of auditor and the fixing of their remuneration.

### **STATEMENT OF CORPORATE GOVERNANCE**

The directors of the Company are committed to maintaining high standards of corporate governance, integrity, and social responsibility and to managing the Company in an honest and ethical manner. The Board is accountable to shareholders for good corporate governance and the Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the “**Guidelines**”). National Instrument 58-101 Disclosure of Corporate Governance Practices (“**NI 58-101**”) requires the Company to disclose annually certain information concerning its corporate governance practices.

The Board believes that its corporate governance policies and procedures are appropriate considering the current size, nature and stage of development of the Company, but the Board will conduct periodic reviews of the Company’s corporate governance practices and procedures in light of applicable rules and guidelines.

Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

#### ***Board of Directors***

At the last Annual Meeting in June 2021 six directors were elected.

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

The Board is currently comprised of six members, three of whom the Board has determined are “independent” directors within the meaning of NI 58-101 in that none of these three directors has a direct or indirect material relationship with the Company, which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

Matthew Allas is not considered “independent” because of his position as the Chief Executive Officer of the Company. In addition, Messrs. Kearney and Varma are not considered “independent” as a result of

their previous positions as Chief Executive Officer and Chief Financial Officer, respectively, of the Company, prior to May 2021.

***Participation of Directors in Board Meetings***

During the year ended December 31, 2021, six Board Meetings were held. In addition, there were three meetings of the Audit Committee held during 2021.

The attendance record of each director for the Board and applicable committee meetings held is as follows:

<b>Name</b>	<b>Board Meetings Attended in 2021</b>	<b>Audit Committee Attended in 2021</b>
John F. Kearney <sup>1</sup>	6 of 6	1 of 3
Matthew Allas <sup>2</sup>	4 of 6	N/A
Danesh Varma	6 of 6	N/A
John Allan <sup>3</sup>	3 of 6	2 of 3
Aiden Carey	6 of 6	3 of 3
John Hurley	6 of 6	3 of 3

Notes:

1. John Kearney ceased to be a member of the Audit Committee on June 24, 2021.
2. Matthew Allas was appointed to the Board on April 30, 2021.
3. John Allan was appointed to the Board and Audit Committee on June 24, 2021.

***Board Mandate***

The Board does not have a written mandate. The mandate of the Board is to supervise the overall management of the business and affairs of the Company. As part of its overall stewardship, the Board assumes responsibility for strategic planning, identification of the principal risks associated with the Company's business and ensuring appropriate management of these risks, and making all senior officer appointments, including responsibility for evaluating performance and management development.

***Position Descriptions***

The Board has not developed written position descriptions for the Chairman of the Board or the chairs of each of the Board committees. The Board is of the view that the Chairman of the Board and the Chairs of the respective committees are sufficiently familiar with their roles and responsibilities that no separate written position descriptions are necessary.

The primary role of the Chairs is managing the affairs of the Board or the applicable committee, including ensuring the Board or such committee is organized properly, functions effectively and meets its obligations and responsibilities.

The Board has not developed a written position description for the Chief Executive Officer. The Chief Executive Officer is responsible for the day-to-day operations of the Company and reports directly to the Board on a regular basis. The Board responds to, and if it considers appropriate, approves with such revisions as it may require, recommendations which have been brought forward by the Chief Executive Officer.

In addition to those matters which by law must be approved by the Board, all significant activities and actions proposed to be taken by the Company including in particular capital budgets, financing, property acquisitions or dispositions, senior appointments and compensation are subject to approval by the Board.

***Orientation and Continuing Education***

The Company currently has no formal orientation and education program for Board members. Information (such as recent reports, technical reports and various other operating property and budget reports) is provided to Board members to ensure that directors are familiar with the Company's business and the procedures of the Board.

The Board recognizes the importance of continuing education to ensure that members of the Board maintain the skill and knowledge for them to meet their obligations as directors. The Company encourages continuing education of its directors by distributing information on industry and regulatory matters and by facilitating attendance at industry conferences, seminars or courses.

***Ethical Business Conduct***

The directors of the Company are committed to maintaining high standards of corporate governance and to managing the Company in an honest and ethical manner. The Board is accountable to shareholders for good corporate governance and recognizes the importance of communicating with its shareholders and all stakeholders in an open and transparent fashion. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board seeks to conduct the operations of the Company with honesty and fairness and expects its contractors and suppliers to meet similar ethical standards.

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest in respect of the Company and are required to comply with such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

The Board believes that the fiduciary duties placed on individual directors by the Company governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates in the best interests of the Company.

Certain of the Company's directors and officers also serve as directors and/or officers of companies which may enter into contracts with the Company in the future. In addition, some of the directors and officers of the Company are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other Company's, and situations may arise where these directors and officers will be in direct competition with the Company. In the event that this occurs, a conflict of interest will exist.

A director is required to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction, or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction.

### ***Nomination of Directors***

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business experience and a particular knowledge of mineral exploration, project development and mining or other areas such as finance which would assist the Company.

The Nominating and Corporate Governance Committee is responsible for establishing and articulating qualifications, desired background, and selection criteria for members of the Board taking account of any applicable securities laws, rules or guidelines, or stock exchange requirements or guidelines. The Nominating and Corporate Governance Committee makes recommendations to the full Board concerning all nominees for Board membership. When it is determined that a new director is desirable, the Nominating and Corporate Governance Committee will engage in appropriate activities to ensure an effective process for selecting candidates for nomination, including developing criteria for the selection of a new director and identifying and recommending individuals qualified and suitable to become directors.

### **Committees of the Board**

The Company currently has three committees, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. All directors may attend meetings of a committee at the committee's invitation.

#### ***Audit Committee***

The Audit Committee is composed of John Allan (Chairman), Aiden Carey and John Hurley, all of whom are considered independent. The Board has determined that the Audit Committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position. Furthermore, the Board has determined that each member of the Audit Committee is financially literate as defined in NI 52-110. See disclosure on Audit Committee below.

***Compensation Committee***

The Compensation Committee is comprised of a majority of independent directors. The current members of the Compensation Committee are John F. Kearney (Chairman), John Allan and Aiden Carey. The Compensation Committee (i) reviews and approves goals and objectives relevant to the Chief Executive Officer's compensation; (ii) evaluates the Chief Executive Officer's performance with respect to those goals and objectives; (iii) recommends the Chief Executive Officer's compensation (both cash-based and equity-based); (iv) reviews and approves incentive compensation plans and equity-based plans; and (v) makes recommendations to the Board with respect to compensation of other senior officers and with respect to compensation of directors.

***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee is comprised of John F. Kearney (Chairman), John Allan and John Hurley. A majority of the members of the Nominating and Corporate Governance Committee are considered independent.

The Nominating and Corporate Governance Committee is responsible for ensuring that the Company has appropriate governance polices, standards and procedures in place and that these are communicated and applied.

The Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to become new directors and recommending to the Board any new director nominees for the next annual meeting of shareholders. The Committee is also responsible for periodically reviewing the Board's structure and composition.

In making its recommendations, the Nominating and Corporate Governance Committee considers, among other things, (i) the competencies and skills that the Board considers to be necessary for the Board; (ii) the competencies and skills that the Board considers each existing director to possess; and (iii) the competencies and skills each new nominee will bring to the boardroom.

***Assessments***

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole or its individual directors. From time to time, the Board assesses the contributions and effectiveness of the Board as a whole to determine whether the Board, and each individual director, is functioning effectively.

***Policies Regarding the Representation of Women on the Board***

The Company does not have a formal written policy regarding identification and nomination of women to the Board as it believes that, given its size and stage of development, the less formal process that the Company currently uses to review the representation of women on the Board is effective. The Nominating and Corporate Governance Committee generally identifies, evaluates and recommends candidates to become members of the Board with the goal of creating a board that, as a whole, consists of individuals

with relevant career experience, industry knowledge and experience and financial and other specialized expertise.

The Board is aware of the benefit of diversity on the Board and takes gender into consideration as part of its overall recruitment and selection process in respect of the Board. Accordingly, when searching for new directors, the Board will consider the level of female representation.

***Consideration of the Representation of Women in the Director Identification and Selection Process***

The Board takes gender into consideration as part of its overall recruitment and selection process in respect of the Board. Accordingly, when searching for new directors, the Board will consider the level of female representation on the Board. This will be achieved by monitoring the level of female representation on the Board and, where appropriate, recruiting qualified female candidates as part of the Company's overall recruitment and selection process to fill Board positions, as the need arises, through vacancies, growth or otherwise. Having regard to the forgoing, in considering an expansion of the Board, the Nominating Committee proposed, and the Board accepted the nomination of a woman, Janis Byrne, as one of two new nominees for election at the Meeting.

***Consideration of the Representation of Women in the Executive Officer Appointments***

The Company is also sensitive to the representation of women when making executive officer appointments, however the Company does not formally consider the level of representation of women in executive officer positions when making executive officer appointments. The Company strives to appoint the best available candidate, regardless of gender, based on several criteria, including ability, experience, leadership and professional qualifications.

***Targets Regarding the Representation of Women on the Board and in Executive Officer Positions***

The Company has not adopted a formal target regarding women on the Board or in executive officer positions as the Board selection and officer hiring process is based on, among other things, abilities and experience and finding the best possible candidate, regardless of gender. However, as noted above, the Company is committed to promoting diversity and will continue going forward to identify talented women to fulfill Board and executive positions.

***Number of Women on the Board and in Executive Officer Positions***

The Company does not at the date hereof have any women on its Board or in executive officer positions. However, one of the two new nominees for election as a director at the Meeting, Janis Byrne, is a woman.

***Diversity Disclosure***

Pursuant to section 172.1 of the Canada Business Corporations Act, the Company is required to and hereby discloses its diversity practices as follows.

***Diversity on the Company's Board and Among Senior Management***

The Company believes that ensuring diversity is not only fundamental to its future growth and progress but is an integral part of all its business activities. The Company recognizes and appreciates the benefits of having diversity on its Board and in its executive officers. The Company respects and values, among other things, differences in gender, age, ethnic origin, religion, education, sexual orientation, political belief and disability. At the same time, the Company also recognizes that Board and executive officer appointments must be based on performance, ability and potential.

The Board has not adopted a formal policy regarding the identification and nomination of directors who are women, Aboriginal peoples, persons with disabilities or members of visible minorities (collectively, the "**Designated Groups**"). The Company recognizes the benefits of diversity within its Board, at the executive level and at all levels of the organization, but does not believe that a formal policy would enhance the representation of Designated Groups on the Board beyond the current recruitment and selection process.

In assessing potential directors and members of executive officers, the Company focuses on the skills, expertise, experience and independence that the Company requires to be effective, and includes diversity (including the level of representation of members of Designated Groups) as a factor in its decision-making when identifying and nominating candidates for election or re-election to the Board and for executive officer positions.

As of the date of this Circular, the Company has not adopted a target number or percentage, or a range of target numbers or percentages, for the members of any Designated Group to hold positions on the Board or to be members of executive officers by a specific date, as it believes that imposing targets based on specific selection criteria would limit the Company's ability to ensure that the overall composition of the Board and executive officers meets the needs of the Company and its shareholders.

As of the date of this Circular, the Company has a total of six directors and three executive officers. Currently, none of the Company's directors or executive officers (0%) are female. Of the Company's directors, one (17%) is a member of a visible minority. No executive officers are members of a visible minority. To the knowledge of the Company, none of the Company's directors or executive officers (0%) are Aboriginal peoples or persons with disabilities.

***Director Term Limits and Other Mechanisms of Board Renewal***

The Company does not impose term limits on its directors. The Company believes term limits are an arbitrary mechanism for removing directors and can result in highly qualified and experienced directors retiring solely based on the length of their service.

***Compensation of Directors and Officers***

The Compensation Committee makes recommendations to the Board with respect to the compensation of directors and compensation of senior officers and reviews and approves incentive compensation plans and equity-based plans.

Members of the Board are not currently compensated for acting as directors, save for the grant of incentive stock options pursuant to the Company's Stock Option Plan or the grant of restricted share units pursuant to the Company's RSU Plan. The Board as a whole determines the stock option or RSU grants for each director.

Directors are reimbursed for travel expenses incurred in connection with attendance at meetings of the Board or any committee thereof.

***Indebtedness of Officers and Directors***

None of the directors, officers, or associates of such persons have been indebted to the Company or any of its subsidiaries at any time since incorporation of the Company. No such person has been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries in respect of the purchase of securities or otherwise.

***Participation of Directors in Other Reporting Issuers***

The participation of the directors in other reporting issuers is described in the following table:

<b>Director</b>	<b>Other Reporting Issuers</b>
John F. Kearney	Anglesey Mining plc (LSE: AYM) Buchans Resources Limited Conquest Resources Limited (TSX-V: CQR) Labrador Iron Mines Holdings Limited (OTC: LBRMF)
Matthew Allas	Mongoose Mining Ltd (CSE:MNG)
John Allan	Mongoose Mining Ltd (CSE:MNG)
Danesh K. Varma	Anglesey Mining plc (LSE: AYM) Brookfield Investments Corp. Buchans Resources Limited Labrador Iron Mines Holdings Limited (OTC: LBRMF) Partners Value Split Corp.

**AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

**Audit Committee**

The Audit Committee assists the Directors in fulfilling its responsibilities for oversight of financial and accounting matters. The committee recommends the auditor to be nominated and reviews the compensation of the auditor. The committee is directly responsible for overseeing the work of the auditor, must pre-approve non-audit services, be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

### Composition of the Audit Committee

The Audit Committee is composed of John Allan (Chairman), Aiden Carey and John Hurley, all of whom are considered independent. The Board has determined that the Audit Committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position. Furthermore, the Board has determined that each member of the Audit Committee is financially literate as defined in NI 52-110. For further details regarding the Audit Committee see “Audit Committee Disclosure” below.

The education and experience of each Audit Committee Member is set forth below:

**John Allan, Director** – Mr. Allan has been involved in private business for over 40 years in Atlantic Canada, including ownership numerous companies ranging from heavy civil construction, equipment parts, protective clothing for mining and offshore personnel, as well as commercial and residential real estate development. Over the past decade, Mr. Allan has developed solid relationships with federal, provincial and municipal governments.

**Aiden Carey, Director** – Mr. Carey is a Mining Consultant and Senior Vice President, Operations of Labrador Iron Mines Holdings Limited since 2011 where he was responsible for LIM's operating functions, including mining and processing, operations and transportation. Prior to 2011, he held senior operating roles with Barrick Gold, Cliffs Natural Resources' Wabush Mines and Cliffs' Michigan operations.

**John Hurley, Director** – Mr. Hurley is President and Chief Executive Officer of Trinity Resources, a private company operating a world-class pyrophyllite mine in Newfoundland which supplies aluminum silicate products to various industries worldwide. With over 24 years of experience in the mining and industrial minerals industry, Mr. Hurley's business development initiatives have spanned 14 countries. He holds a Bachelor of Science degree with a major in Chemistry from Memorial University, Newfoundland and Labrador.

The Audit Committee has adopted a Charter, the text of which is attached as Schedule “A”.

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

The Audit Committee has adopted procedures requiring Audit Committee review and approval in advance of all particular engagement for services provided by the Independent Auditor. Consistent with applicable laws, the procedures permit limited amounts of services, other than audit services, to be approved by the Audit Committee provided the Audit Committee is informed of each particular service. All the engagements and fees for the years ended December 31, 2021 and 2020 were approved by the Audit Committee. The Audit Committee reviews with the Independent Auditor whether the non-audit services to be provided are compatible with maintaining the Independent Auditor's independence.

### ***Audit Committee Oversight***

Since the commencement of the Company's most recently completed financial year, no recommendation of the Audit Committee to nominate or compensate an Independent Auditor was not adopted by the Board.

**Reliance on the Exemption in Subsection 3.3(2) or Section 3.6**

During the year ended December 31, 2021, the exemptions in subsection 3.3(2) (*Controlled Companies*) and section 3.6 of NI 52-110 (*Temporary Exemption for Limited and Exceptional Circumstances*) were not relied upon by the Company.

**Reliance on Certain Exemptions**

During the year ended December 31, 2021, the following exemptions provided for in NI 52-110 were not relied upon by the Company:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services);
- (b) the exemption in section 3.2 (Initial Public Offerings);
- (c) the exemption in section 3.4 (Events Outside Control of Member);
- (d) the exemption in section 3.5 (Death, Disability or Resignation of Audit Committee Member); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**Reliance on Section 3.8**

During the year ended December 31, 2021, the exemption in section 3.8 (*Acquisition of Financial Literacy*) of NI 52-110 were not relied upon by the Company.

**Audit Fees**

The following chart summarizes the aggregate fees billed by the Independent Auditor for professional services rendered to the Company during the years ended December 31, 2021 and 2020 for audit and non-audit related services:

Type of Work	Year Ended December 31, 2021	Year Ended December 31, 2020
	\$	\$
Audit fees <sup>(1)</sup>	58,500	10,000
Audit-related fees <sup>(2)</sup>	-	-
Tax fees <sup>(3)</sup>	2,000	-
All other fees	-	-
<b>Total</b>	60,500	10,000

**Notes**

- (1) Aggregate fees billed for the Company's annual financial statements and services normally provided by the Independent Auditor in connection with the Company's statutory and regulatory filings.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

#### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The by-laws of the Company provide that the Company is required to indemnify a director or officer, or former director or officer, or a person who acts or acted at the request of the Company as a director or officer of a body corporate of which the Company is or was a shareholder or creditor, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of having been a director or officer of such body corporate if (a) he or she acted honestly and in good faith with a view to the best interests of the Company, and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

#### INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS AND MATTERS TO BE ACTED UPON

No person who has been a Director or executive officer since the beginning of the Company's last completed year, proposed nominee for election as a director, shareholder beneficially owning (directly or indirectly) or exercising control or direction over more than 10% of the Common Shares of the Company, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed year or in any proposed transaction which, in either case, has materially affected or will materially affect the Company.

The Company maintains insurance for the benefit of the Company's Directors and officers against liability incurred by them in their capacity as directors and officers. The policy provides coverage in respect of a maximum total liability of \$5,000,000, subject to a deductible of \$25,000 per event. The premium for 2022 is \$18,000. The policy contains standard industry exclusions and no claims have been made to date.

#### ADDITIONAL INFORMATION

The Consolidated Financial Statements for the year ended December 31, 2021 and the related Management's Discussion and Analysis and are available on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting the Company via email at [investors@CanadianManganese.com](mailto:investors@CanadianManganese.com). Additional information relating to the Company is available on the Company's website [www.CanadianManganese.com](http://www.CanadianManganese.com).

#### APPROVAL

The contents of this Information Circular and the sending thereof have been approved by the Directors of the Company.

**DATED: April 29, 2022**

*"John F. Kearney"*

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**John F. Kearney**  
*Chairman*

**SCHEDULE "A"**

**AUDIT COMMITTEE CHARTER**

## CANADIAN MANGANESE COMPANY INC.

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### ***Purpose***

The Audit Committee (the “**Committee**”) is appointed by the Board to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Committee’s primary duties and responsibilities are to:

- review the quarterly and annual financial statements and management's discussion and analysis of the Company and report thereon to the Board;
- select and monitor the independence and performance of the outside auditor of the Company (the “**Independent Auditor**”), including meetings with the Independent Auditor;
- conduct such reviews and discussions with management and the Independent Auditor relating to the audit and financial reporting as are deemed appropriate by the Committee;
- provide oversight to related party transactions entered into by the Company; and
- if necessary, assess the integrity of internal controls and financial reporting procedures of the Company and review the internal control report prepared by management required to be included with the annual report of the Company.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditor as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

#### ***Composition and Meetings***

The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the stock exchange that the Company is listed on.

1. The Committee shall be composed of three or more directors, one of whom shall serve as the Chair; both the members and the Chair shall be designated by the Board from time to time.
2. All members of the Committee shall be “independent” and “financially literate” in accordance with National Instrument 52-110 – *Audit Committees*.
3. The Committee shall meet at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, and a majority of the members of the Committee shall constitute a quorum.
4. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

5. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee.
6. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
7. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
8. The Committee may invite such officers, directors and employees of the Company and its subsidiary as it may see fit, from time to time, to attend at meetings of the Committee.
9. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
10. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee members will be elected annually at the first meeting of the Board following the annual meeting of shareholders.

### ***Responsibilities***

#### **Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditor as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the Independent Auditor, together with management’s response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, management’s discussion and analysis and interim financial press releases, and periodically assess the adequacy of these procedures.

4. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim financial press releases, that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the Independent Auditor and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the Independent Auditor about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management, has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditor and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall establish procedures for:
  - a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
9. The Committee shall provide oversight to related party transactions entered into by the Company.

**Independent Auditor**

1. The Committee shall recommend to the Board the Independent Auditor to be nominated, shall set the compensation for the Independent Auditor, provide oversight of the Independent Auditor and shall ensure that the Independent Auditor report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the Independent Auditor, including the resolution of disagreements between management and the Independent Auditor regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditor in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the Independent Auditor and monitor, support and assure the independence and objectivity of the Independent Auditor.
5. The Committee shall review the Independent Auditor's audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the Independent Auditor, including matters related to the conduct of the audit.

7. The Committee shall obtain timely reports from the Independent Auditor describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the Independent Auditor's preferred treatment and material written communications between the Company and the Independent Auditor.
8. The Committee shall review fees paid by the Company to the Independent Auditor and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
10. The Committee shall monitor and assess the relationship between management and the Independent Auditor and monitor the independence and objectivity of the Independent Auditor.

***Other Responsibilities***

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.