

# **E29**

## **R E S O U R C E S**

### **Element 29 Resources Inc.**

Notice of the 2022 Annual General Meeting of Shareholders

Management Information Circular

Dated May 25, 2022





May 25, 2022

Dear Shareholders,

To protect the health and well-being of Element 29 Resources Inc.'s ("**E29**" or the "**Company**") employees, directors and shareholders, the Company has made the decision to hold its Annual General Meeting of Shareholders (the "**Meeting**") in a virtual-only format. Shareholders will not be able to attend the Meeting in person. Further details on how to join the virtual Meeting are included in this management information circular ("**Circular**").

At the Meeting you will be able to ask questions of the Board of Directors and senior management. Shareholders will have an equal opportunity to participate at the Meeting by teleconference, regardless of their geographic location.

The enclosed Circular describes the business to be conducted at the Meeting. It is important that you exercise your vote at the Meeting or by completing and returning your proxy form.

We look forward to speaking with you at the Meeting.

Sincerely,

(Signed) "*Richard Osmond*"

Richard Osmond  
Director

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## NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE** is hereby given that Element 29 Resources Inc. (the “**Company**”) is conducting a virtual Annual General Meeting of the holders of common shares of the Company (the “**Shareholders**”) by live conference call to be held on Wednesday, 29<sup>th</sup> June 2022 at 1:30 p.m. Pacific Time (the “**Meeting**”).

### **MATTERS TO BE VOTED ON AT THE MEETING**

At the Meeting, Shareholders will be asked to receive the annual financial statements of the Company for the year ended December 31, 2021 and the auditor’s report thereon and will be asked to vote on the following:

1. set the number of directors of the Company at five;
2. elect those directors who will serve until the next annual meeting of Shareholders;
3. appoint auditors that will serve until the next annual meeting of Shareholders and authorize the directors to fix their remuneration;
4. consider, and if thought fit, approve an ordinary resolution approving the Company’s stock option plan, as described in the management information circular (“**Circular**”); and
5. transact such other business as may properly be brought before the Meeting and any postponement or adjournment thereof.

### **VOTING**

Registered Shareholders and duly appointed proxy holders may participate in the Meeting via a live teleconference. Specifically, Registered Shareholders and duly appointed proxy holders who have properly pre-registered to participate in the meeting as outlined below will have the opportunity to speak during the Meeting and participate in telephone voting. All other Shareholders and stakeholders can attend the Meeting via teleconference without pre-registering as outlined below but will not be permitted to ask questions during the Meeting.

Registered Shareholders and duly appointed proxy holders wishing to vote in advance of the meeting may vote by telephone, by fax or by mailing the enclosed proxy or voting instruction form for receipt by 1:30 p.m. Pacific Time, on Monday, 27<sup>th</sup> June 2022 using the enclosed business reply envelope.

In order to be permitted to vote and ask questions during the Meeting, Registered Shareholders and duly appointed proxy holders must pre-register via the following link prior to the proxy cut-off at time at 1:30 p.m. Pacific Time on Monday 27<sup>th</sup> June 2022:

<https://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10019205&linkSecurityString=17f060296e>

After pre-registration has been completed, pre-registered Registered Shareholders and duly appointed proxy holders will see on screen a unique PIN they have been assigned and dial-in phone numbers they will use to join the conference call. These details will also be sent to the pre-registered Registered Shareholders and duly appointed proxy holders by email in the form of a calendar booking. It is recommended that you attempt to connect to the conference call at least ten minutes prior to the scheduled start time of the Meeting.

All other shareholders and stakeholders wishing to attend the Meeting by teleconference, but not ask questions, may dial the following toll free, or international toll number approximately five minutes prior to the commencement of the Meeting and ask the operator to join the “**Element 29 Resources Inc. AGM**”:

Toll-free (Canada/U.S.): 1-800-319-4610, or

Toll (International): +1-604-638-5340.

**QUESTIONS ABOUT THE MEETING**

Shareholders with questions about the Meeting can contact the Company at 888-246-7881, or by email at [info@e29copper.com](mailto:info@e29copper.com).

**Please review the Circular before voting.**

## MANAGEMENT INFORMATION CIRCULAR

This management information circular, including all schedules hereto (the “**Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Element 29 Resources Inc. (“**E29**” or the “**Company**”) to be used at the Annual General meeting of the holders (the “**Shareholders**”) of common shares of E29 (“**Common Shares**”), or any adjournment(s) or postponement(s) thereof (the “**Meeting**”) to be held virtually on Wednesday, 29<sup>th</sup> June 2022 at 1:30 p.m. (Pacific Time) for the purposes set forth in the Notice of Annual General Meeting of Shareholders of the Company accompanying this Circular.

### General Information

Except as otherwise stated, the information contained herein is given as of May 25, 2022. Figures in this Circular are expressed in Canadian dollars (“**\$**”), the same currency that the Company uses in its annual financial statements for the year ended December 31, 2021 (the “**Annual Financial Statements**”), unless otherwise stated.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties with a focus on copper properties located in Peru.

### Corporate Background

E29 is a Canadian resource company engaged in the exploration and development of mineral resource properties in Peru. The Company is exploring for copper (“**Cu**”), molybdenum (“**Mo**”), gold (“**Au**”), silver (“**Ag**”), and other metals including lead (“**Pb**”), and zinc (“**Zn**”). At present, none of the Company’s mineral properties are at a commercial development or production stage. The Company’s objective is to confirm, delineate, and develop the copper mineralization at its Flor de Cobre property (“**Candelaria**”). At the Elida porphyry copper project, the Company plans to explore and expand on the copper, molybdenum, and silver mineralization intersected in Target 1 and drill test the four other porphyry targets located on the project.

The Company also holds two other projects; the Pahuay Copper Project, and the Muñaorjo Copper Project, which are both located in Peru.

The Company was incorporated in British Columbia on August 30, 2017. The Company’s head office is located at Suite 108 – 744 West Hastings Street, Vancouver, British Columbia V6C 1A5, and its registered office is located at Suite 1900 – 1040 West Georgia Street, Vancouver, British Columbia V6E 4H3. Field operations are conducted out of a local office in Peru.

On December 7, 2020, the Company’s common shares commenced trading on the TSX Venture Exchange (“**TSXV**”) under the symbol “**ECU**”. On February 4, 2021, the Company’s common shares commenced trading on the Frankfurt Stock Exchange (“**FSE**”) under the trading symbol “**2IK**”. On May 27, 2021, the Company’s common shares commenced trading on the Over-the-Counter OTCQB Venture Market (“**OTCQB**”) under the symbol “**EMTRF**”.

The Company has three wholly-owned subsidiaries; Candelaria Resources SAC, Elida Resources SAC, and Pahuay Resources SAC, all of which were incorporated under the laws of Peru (the “**Subsidiaries**”).

E29 is led by a seasoned team of mining, corporate finance and corporate governance professionals, who have the experience to advance the Company’s projects and generate value for E29’s shareholders.

## VOTING INFORMATION

### Solicitation of Proxies

It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally, by telephone, e-mail, internet, facsimile or other means of communication by regular officers, employees and agents of the Company at nominal cost. The cost of solicitation by management will be borne directly by the Company. The

Company will reimburse investment dealers, brokers, banks, custodians, nominees and other fiduciaries for permitted fees and costs incurred by them in mailing soliciting materials to the non-registered Shareholders. Invoices for such permitted fees and costs should be directed to the attention of the Chief Financial Officer of the Company at Suite 108 – 744 West Hastings Street, Vancouver, British Columbia V6C 1A5.

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

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

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

### **Appointment and Revocation of Proxies**

The proxy nominees named in the accompanying Proxy are officers and/or directors of the Company (the “Directors”). **Shareholders have the right to appoint a person or company to represent them at the Meeting other than the individual designated by the Company in the form of proxy. Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering your proxyholder for the Meeting is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder by the registration deadline will result in the proxyholder not receiving the proper dial-in phone numbers and their own unique PIN which will allow them to participate in the Meeting.**

In order to be permitted to vote and ask questions during the Meeting, duly appointed proxy holders must pre-register via the following link prior to the proxy cut-off at time at 1:30 p.m. Pacific Time on Monday 27<sup>th</sup> June, 2022:

<https://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10019205&linkSecurityString=17f060296e>

### **Without a PIN, proxyholders will not be able to ask questions or vote at the Meeting.**

A proxy can be submitted to **Computershare** either in person, or by mail or courier, to **100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1**, or via the internet at **www.investorvote.com**. The proxy must be deposited with Computershare by no later than 1:30 p.m. (Pacific Time) on 27<sup>th</sup> June 2022 or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed meeting.

A proxy given by Registered Shareholders for use at the Meeting may be revoked at any time prior to its use: (i) by dialing in and entering their unique PIN to attend the Meeting by teleconference and participate by telephone if they were a Registered Shareholder at May 25, 2022 (the “**Record Date**”), (ii) signing a proxy bearing a later date and returning such form at any time before the proxy cut-off time, (iii) by signing a written statement which indicates, clearly, that the Shareholder wants to revoke his, her or its proxy and delivering this signed written statement to the registered office of the Company by email to **info@e29copper.com** at any time up and including the last business day prior to the Meeting (or any adjournment or postponement thereof), or (iv) in any other manner permitted by law.

However, in order to speak or vote during the Meeting, Registered Shareholders must have also pre-registered using the link above by the deadline stated.

#### **Advice to Beneficial Shareholders**

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Many Shareholders may be “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.** More particularly, a person is not a Registered Shareholder in respect of Common Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

In accordance with the requirements of NI 54-101, the Company has elected to send the notice of Meeting, this Circular and the instrument of proxy (the “**Meeting Materials**”) directly to the NOBOs.

Also, in accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Intermediaries for onward distribution to OBOs at their own expense. Intermediaries are required to forward the Meeting Materials to OBOs unless, in the case of certain proxy-related materials, the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to OBOs. With those Meeting Materials, Intermediaries or their service companies should provide OBOs with a voting instruction form (“**VIF**”) which, when properly completed and signed by such OBO and returned to the Intermediary or its service corporation, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common Shares that they beneficially own.

*The Meeting Materials are being sent to both Registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. Meeting Materials will be sent electronically to those beneficial owners from whom consent has been obtained.*

*By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.*

Meeting Materials sent to beneficial owners who have not waived the right to receive Meeting Materials are accompanied by a VIF to be used instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Holder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. **Non-Registered Holders receiving a VIF cannot use that form to vote Common Shares directly at the Meeting. Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, and then complete the pre-registration process for the meeting as outlined above, using the link provided, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting.

## Voting of Proxies

Common Shares represented by properly completed and executed proxies that are received in the manner prescribed herein will be voted (or withheld from voting) in accordance with the instructions of the Shareholder, including on any ballot votes that may take place at the Meeting. If you have not specified how to vote on a particular matter, then your proxy holder can vote your Common Shares as he or she sees fit. **Where no choice is specified, Common Shares represented by properly completed and executed proxies in favour of the management proxy nominees named in the printed portion of the enclosed proxy will be voted “FOR” each of the matters to be voted on by Shareholders, as follows:**

- **“FOR” setting the number of Directors at five;**
- **“FOR” the election as Directors of the five nominees (each, a “Nominee”) listed in this Circular for the ensuing year;**
- **“FOR” the appointment of Davidson & Company LLP as independent auditors of the Company for the ensuing year and the authorization of the Directors to fix their remuneration; and**
- **“FOR” the Company’s Stock Option Plan, attached as Schedule “A” (the “Stock Option Plan”).**

**The accompanying proxy also confers discretionary authority upon the proxy nominees named therein with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters as may properly come before the Meeting.** At the date of this Circular, management of the Company (“Management”) knows of no such amendments, variations or other matters to come before the Meeting. However, if any amendments, variations or other matters which are not now known to management should properly come before the Meeting, the Common Shares represented by proxies in favour of the management nominees named in the accompanying form of proxy will be voted on such matters in accordance with the best judgment of such proxy nominees.

## Attending and Participating at the Meeting

The meeting will be hosted by teleconference. Shareholders will not be able to attend the meeting in person. A summary of the information Shareholders will need to attend the Meeting by teleconference is provided below. The Meeting will begin at 1:30 p.m. (Pacific Time) on 29<sup>th</sup> June 2022.

**Registered Shareholders and Appointed Proxyholder:** Registered Shareholders that have a 15-digit control number, along with duly appointed proxyholders who were provided the dial-in phone numbers and PIN when they pre-registered will be able to vote and ask questions during the Meeting. To do so, refer to the calendar booking sent by email once the pre-registration was completed, dial the phone number and enter the PIN which will identify you within the conference call. All other shareholders and stakeholders wishing to attend the Meeting by teleconference, but not ask questions, may dial the following toll free, or international toll number approximately five minutes prior to the commencement of the Meeting and ask the operator to join the **“Element 29 Resources Inc. AGM”**:

Toll-free (Canada/U.S.): 1-800-319-4610, or

Toll (International): +1-604-638-5340.

- **United States Beneficial Shareholders:** To attend and vote at the Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, you must submit a copy of your legal proxy to Computershare in order to be registered to attend the Meeting. Requests for registration should be directed to:

**Computershare**  
**100 University Avenue**  
**8<sup>th</sup> Floor**  
**Toronto, Ontario**  
**M5J 2Y1**  
**OR**  
**Email at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com)**

- **Non-Registered Holders:** If you are a Non-Registered Holder and have not obtained a 15-digit control number or Username, you will only be able to attend as a guest. You will be able to listen to the Meeting; however you will not be able to vote or ask questions. Please see the information under the heading “*Advice to Beneficial Shareholders*” for an explanation of why certain shareholders may not receive a form of proxy.

If you are eligible to vote at the Meeting, it is important that you are connected to the conference call at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

### **Voting Securities and Principal Holders Thereof**

Only Shareholders of the Company who are listed on its Register of Shareholders on the Record Date are entitled to receive notice of and to attend and vote at the Meeting (See “*Voting of Proxies*” above).

At May 25, 2022, the Company had 79,240,860 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote.

To the knowledge of the Directors and executive officers of the Company, as of May 25, 2022, GlobeTrotters Resource Group Inc. (“**GlobeTrotters**”) owns in excess of 10% of the Common Shares.

GlobeTrotters directly holds 10,933,768 Common Shares or approximately 14% of the Company’s issued and outstanding Common Shares.

GlobeTrotters is E29’s single largest shareholder. As a result, Globetrotters may have the ability to influence the outcome of matters submitted to the E29 Shareholders for approval, which could include the election and removal of directors, amendments to E29’s corporate governance documents and business combinations. E29’s interests and those of GlobeTrotters may at times conflict, and this conflict might be resolved against E29’s interests. The concentration of 14% of E29’s issued and outstanding shares in the hands of one shareholder may discourage an unsolicited bid for the Common Shares, and this may adversely impact the value and trading price of the Common Shares. GlobeTrotters’ participation in, or failure to participate in any issuance of additional E29 securities may have a material impact on the value and trading price of the Common Shares.

## **BUSINESS OF THE MEETING**

### **Receipt of Financial Statements**

The Annual Financial Statements of E29 and accompanying auditor’s report thereon will be presented at the Meeting and will be mailed to those registered and beneficial Shareholders of the Company who requested them. The Annual Financial Statements are available under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com) and at [www.e29copper.com](http://www.e29copper.com).

### **Number of Directors**

The Articles of the Company set out that the number of directors of the Company will be a minimum of three and (i) the number of directors set by ordinary resolution and (ii) the number of Directors set in the event that the places of

any retiring Directors are not filled by election at a meeting of Shareholders. At the Meeting, the Shareholders will be asked to pass an ordinary resolution setting the number of Directors of the Company at five.

To be approved, the resolution must be passed by a majority of the votes cast by the Shareholders at the Meeting. **In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed form of proxy intend to vote “FOR” the resolution setting the number of directors of the Company at four.**

**Election of Directors**

The Board currently consists of five Directors. Each Director is to hold office until the next annual meeting of Shareholders or until his or her successor is duly elected unless his or her office is earlier vacated in accordance with the articles of the Company.

**Nominees and Qualifications**

The following tables set out the name of Management’s Nominees for election as Director, and other information including: the place in which each is ordinarily resident, principal occupations held in the last five years, the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each Nominee, the number of outstanding options to purchase Common Shares (“Options”) held by each Nominee, the period or periods during which each has served as a Director, current membership on committees of the Board, record of attendance at meetings of the Board and its committees through December 31, 2021, and whether or not the Board has determined each Nominee to be independent. There are no contracts, arrangements or understandings between any Director or executive officer or any other person pursuant to which any of the Nominees has been nominated for election as a Director of the Company.

**Management of the Company does not anticipate that any of the proposed Nominees will be unable to serve as a Director; however, if for any reason any of the proposed Nominees do not stand for election or are unable to serve as such, the Common Shares represented by proxies given in favour of Management’s Nominee(s) may be voted by the person designated by Management of the Company in the enclosed Proxy, in their discretion, in favour of another Nominee.**

**In the absence of a contrary instruction, the persons designated by Management of the Company in the enclosed form of proxy intend to vote “FOR” the election of the Directors set out in the following tables.** The total value of Common Shares has been calculated using the closing price of the Common Shares of E29 on the TSXV on December 31, 2021 (\$0.58). The number of Common Shares of E29 owned by each Director are as at May 25, 2022.

<i>Steve Stakiw</i>	<b>Age: 57</b>
<b>Vancouver, British Columbia, Canada</b>	<b>Director since April 11, 2022</b>
<b>President and Chief Executive Officer</b>	
Mr. Stakiw has over 25 years of experience in the mining and mineral exploration sector including experience with New Pacific Metals Corp, Whitehorse Gold Corp and Trevali Mining Corporation. He was involved in the evolution of Trevali Mining from an exploration-stage company to a global top-10 zinc producer with four operating mines on three continents. He was later involved in the spinout of Whitehorse Gold from New Pacific Metals and the successful financing and public listing of the company.	
<b>Principal Occupation(s) During Past Five Years</b>	
Element 29 Resources Inc. – President, CEO and Director (April 2022 – Present); New Pacific Metals Corp. – Senior Vice President (January 2022 – April 2022); Whitehorse Gold Corp. – Vice President Corporate Affairs (March 2020 – January 2022); Trevali Mining Corp. – Vice President Investor Relations and Corporate Communications (November 2012 – May 2019)	

Board / Committee Membership			Meeting Attendance	
Board			2021 N/A	2021 N/A
Common Shares and Options (as at May 25, 2022)				
Common Shares	Options	Total Value of Common Shares		
270,000	500,000	\$98,550		

<b>Richard Osmond</b>			<b>Age: 54</b>	
<b>Maple Ridge, British Columbia, Canada</b>			<b>Independent Director since August 30, 2017</b>	
<b>Non-Executive Chairman</b>				
Mr. Osmond has over 25 years of experience in the mining sector including experience with INCO (VBNC), Falconbridge and Anglo American. He was involved in exploration discoveries at Vale's Voisey's Bay deposit and Glencore's Raglan mine. He was later hired as a senior technical leader with Anglo American responsible for North America and Europe focused on Ni exploration in northern Canada, Alaska and Scandinavia as well as IOCG and porphyry Cu-Mo exploration in Mexico and Alaska. Richard is currently the President of GlobeTrotters.				
Principal Occupation(s) During Past Five Years				
Element 29 Resources Inc. – Director (December 2018 – Present); Element 29 Resources Inc. – Interim CEO (September 2021 – April 2022); GlobeTrotters Resource Group Inc. – President (November 2009 – Present); GeoVision Geosciences Inc. – President (May 2007 – Present) – Private consulting company; Rio Maranon Minerals Inc. – President (September 2010 – Present) – Subsidiary of GlobeTrotters Resource Group Inc.; Paleocene Copper Resources Inc. – President (August 2019 – Present) – Subsidiary of GlobeTrotters Resource Group Inc.; Anka Resources Inc. – President (August 2020 - Present) – Subsidiary of GlobeTrotters Resource Group Inc.; Cerro Blanco Resources Inc. – President (July 2020 – Present); Green Earth Metals Inc. – President (May 2021 – Present) – Private resource company.				
Board / Committee Membership			Meeting Attendance	
Board (Chair)			6 of 6	100%
Corporate Governance and Nomination Committee			2 of 2	100%
Common Shares and Options (as at May 25, 2022)				
Common Shares	Options	Total Value of Common Shares		
2,437,092	850,000	\$889,539		

<b>Patrick Elliott<sup>(1)</sup></b>			<b>Age: 41</b>	
<b>Vancouver, British Columbia, Canada</b>			<b>Independent Director since March 7, 2019</b>	
Mr. Elliott is an accomplished economic geologist with an M.Sc. in Mineral Economics and an MBA in Mining Finance from Curtin University of Technology in Perth, Australia. He is currently President & CEO of Lexore				

Capital Corp, and President & CEO of Forte Copper Corp., a private Peruvian copper company. Mr. Elliott completed his undergraduate B.Sc. Geology degree at the University of Western Ontario and has spent over 10 years in copper and gold exploration in South America and the US.

**Principal Occupation(s) During Past Five Years**

Chief Executive Officer and President of Forte Minerals Inc. since June 2017; Vice President Corporate Development and Strategy of GlobeTrotters Resource Group Inc. since February 2017; Director of MLK Gold Ltd. since August 2021; Vice President Finance and Chief Executive Officer, President and Director of PacRoots Cannabis Corp. (CSE: PACR) (May 2020 – September 2021); Director of Ecovatec Solutions (September 2015 – June 2018); Vice President Business Development of Plan B Minerals (March 2009 – June 2017).

Board / Committee Membership		Meeting Attendance	
Board		5 of 6	83%
Audit Committee		3 of 4	75%
Compensation Committee (Chair)		3 of 3	100%
Common Shares and Options (as at May 25, 2022)			
Common Shares	Options	Total Value of Common Shares	
1,929,500	550,000	\$704,267	

Notes:

(1) Mr. Elliott is also a director of MLK Gold Ltd.

<b>Peter Espig<sup>(1)</sup></b>		<b>Age: 56</b>	
<b>Vancouver, British Columbia, Canada</b>		<b>Independent Director since June 29, 2020</b>	
<p>Mr. Espig is the President and CEO of Nicola Mining Inc. He is experienced in the analysis of investment opportunities, raising capital, deal sourcing, financial structuring and corporate turnaround. Mr. Espig has structured over US\$2.0 billion in private equity and pre-IPO investment transactions from the principal side.</p> <p>Mr. Espig has served as a Director of Starbulk Carriers, a dry shipping company and as Vice-President of the Principal Finance and Securitization Group and Asia Special Situations Group for Goldman Sachs Japan. Prior to joining Goldman Sachs, Mr. Espig served as Vice-President of Olympus Capital Asia, a New York private equity firm, where he participated in corporate restructurings, investment analysis and financing negotiations for both domestic and international investments.</p> <p>In 1989, Mr. Espig received his B.A. from the University of British Columbia and later received his MBA from Columbia Business School. Mr. Espig has been active in the turnaround of mining projects and has functioned in management roles and as a director for numerous mining companies.</p>			
Principal Occupation(s) During Past Five Years			
<p>President and CEO of Nicola Mining Inc. (TSX.V: NIM) since November 2013; CEO of Sweet Earth Holdings (CSE: SE) since May 2019; Founder TriAsia Capital, a private equity and consulting firm focused on raising capital for mid-sized companies and pre-initial public offering investment and consulting; Founding director of Promontory Therapeutics, a private biopharmaceutical company since November 2010.</p>			
Board / Committee Membership		Meeting Attendance	
Board		6 of 6	100%

Audit Committee (Chair)		4 of 4	100%
Compensation Committee		3 of 3	100%
Corporate Governance and Nomination Committee		2 of 2	100%
<b>Common Shares and Options (as at May 25, 2022)</b>			
Common Shares	Options	Total Value of Common Shares	
255,000	425,000	\$93,075	

Notes:

(1) Mr. Espig is also a director of Nicola Mining Inc., Sweet Earth Holdings and Meridius Resources Limited

<b>Michael Doggett</b> <sup>(1)</sup>		<b>Age: 61</b>	
<b>Vancouver, British Columbia, Canada</b>		<b>Independent Director since October 29, 2020</b>	
<p>Michael Doggett is a Vancouver, Canada based mineral economist with 35 years of experience working with clients in some 20 countries on issues related to project evaluation, mineral taxation, private and government royalties, and industry exploration trends. In addition, he is the founder of El Olivar Imperial, a private Peruvian mineral processing company with initial production scheduled for Q1 2023.</p> <p>From 1997 to 2007, Mr. Doggett served as Director of the Mineral Exploration Program at Queen's University, Canada where he continues to serve as an adjunct professor. He has authored or co-authored more than 20 publications and provided training to more than 2500 industry professionals. He has served on the board of 6 public companies as well as the PDAC and the Committee on Earth Resources at the U.S. National Academy of Sciences.</p> <p>The Canadian Institute of Mining, Metallurgy and Petroleum presented him with their Robert Elver Mineral Economics Award in 2002 and named him Distinguished Lecturer in 2010. The Society of Economic Geologists named him as their International Exchange Lecturer for the year 2005 and the Society of Mining Metallurgy and Exploration presented him with their Mineral Economics award in 2019.</p>			
<b>Principal Occupation(s) During Past Five Years</b>			
<p>Director of Minco Capital Corp. since May 2007; director of HempNova Lifetech Corporation since May 2019; consultant for Beach Meadows Resources Inc. (October 2015 to May 2021); director of Pacific Link Mining Corp. (April 2007 to May 2019); director of Riverside Resources Inc. (July 2008 to February 2017).</p>			
<b>Board / Committee Membership</b>		<b>Meeting Attendance</b>	
Board		6 of 6	100%
Audit Committee		4 of 4	100%
Corporate Governance and Nomination Committee (Chair)		2 of 2	100%
Compensation Committee		3 of 3	100%
<b>Common Shares and Options (as at May 25, 2022)</b>			
Common Shares	Options	Total Value of Common Shares	
250,000	425,000	\$91,250	

Notes:

(1) Mr. Doggett is also a director of Minco Capital Corp. and HempNova Lifetech Corporation.

### ***Cease Trade Order, Bankruptcy, Penalties and Sanctions***

To the knowledge of the Company, as of the date of this Circular: (a) no proposed director of E29 is, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any corporation (including E29) that, (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant corporation access to any exemption under securities legislation, in each case in effect for a period of more than 30 consecutive days (each an “**order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) no proposed director of E29 is, or has been within 10 years before the date of this Circular, a director or executive officer of any corporation (including E29) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (c) no proposed director of E29 has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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 director, officer or shareholder; and (d) no proposed director of E29 has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director. To the knowledge of E29, no personal holding corporation of any proposed director is or has been, as applicable, subject to the foregoing during the applicable time periods.

### **Appointment of Auditor**

Davidson & Company LLP has been E29’s independent auditor since 19<sup>th</sup> May, 2020. At the Meeting, Shareholders will be asked to vote for the re-appointment of Davidson & Company LLP as the auditor of the Company to hold office until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. A simple majority of the votes cast at the Meeting must be voted in favour thereof.

**Unless such authority is withheld, the management proxy nominees named in the accompanying proxy intend to vote “FOR” the appointment of Davidson & Company LLP as auditors of the Company to hold office until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.**

### **Ratification and Approval of the Stock Option Plan**

The Board has established the Stock Option Plan as described under “*Report on Executive Compensation – Description of Stock Option Plan*”.

The policies of the TSXV require stock option plans which reserve for issuance up to 10% (instead of a fixed number) of a listed corporation’s shares be approved annually by its shareholders. That approval is being sought at the Meeting by way of an ordinary resolution.

Therefore, at the Meeting, Shareholders will be asked to pass a resolution in the following form (the “**Stock Option Plan Resolution**”):

“**UPON MOTION IT WAS RESOLVED** that the Company approve and ratify, subject to regulatory approval, the Stock Option Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company’s issued and outstanding shares being reserved to any one person on a yearly basis.”

Following the Meeting (assuming approval of the Stock Option Plan by the Shareholders), any options granted pursuant to the Stock Option Plan will not require further shareholder or TSXV approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Company.

The full text of the Stock Option Plan is attached hereto as Schedule “A”.

**Unless otherwise directed, the management proxy nominees named in the accompanying form of proxy intend to vote the Common Shares represented thereby in respect of the Meeting “for” the approval of the Stock Option Plan Resolution.**

## **REPORT ON EXECUTIVE COMPENSATION**

### **Executive Compensation**

Unless otherwise noted, the following information is for the Company’s last completed financial period (which ended December 31, 2021).

### **Named Executive Officers**

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. “Named Executive Officer” is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) the most highly compensated executive officer of the Company, including any of its subsidiaries, 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 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year.

As of the date of this Circular, the Company has the following Named Executive Officers (collectively, the “**Named Executive Officers**” or “**NEOs**”):

- Steve Stakiw, Chief Executive Officer, President and Director of the Company;
- Richard Osmond, Interim Chief Executive Officer, President and Director of the Company;
- Brian Booth, former Chief Executive Officer, President and Director of the Company;
- Duane Lo, Chief Financial Officer; and
- Paul Johnston, Vice President Exploration.

### **Compensation Discussion and Analysis**

#### ***Philosophy***

In determining the compensation to be paid or awarded to its executives, the Board seeks to encourage the advancement of the Company’s exploration projects, with a view to enhancing Shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of its executives with those of its Shareholders. In addition, as E29, currently, has no revenues from operation and operates with limited financial resources, the Board needs to consider not only the Company’s financial situation at the time of determining executive compensation but also the Company’s estimated financial situation in the mid and long term.

The Company’s executive compensation program consists of a combination of base salary and long-term incentives in the form of participation in the Stock Option Plan. In making its determinations regarding the various elements of executive Option grants, the Company will seek to meet the following objectives:

- (a) to attract, retain and motivate talented executives who create and sustain E29's continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;
- (b) to align the interests of the NEOs with the interests of the Company's Shareholders; and
- (c) to incent extraordinary performance from our key personnel.

The Company is an early stage exploration company and may not generate revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of its executive officers.

#### *Base Salary*

The base salary for each executive is established by the Board, on the recommendation of the Board, based upon the position held by such executive, competitive market conditions, such executive's related responsibilities, experience and the NEO's skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels for executives.

#### *Cash Bonuses*

Cash bonuses do not form a normal part of E29's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on Shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated exploration-stage junior mining companies or any other factors the Board may consider appropriate at the time such performance-based bonuses are decided upon. The quantity of bonus will normally be a percentage of base salary not to exceed 100%. However, in exceptional circumstances, the quantity of bonus paid may be connected to the Shareholder value creation embodied in the pre-agreed milestones.

#### *Options*

Options are a key compensation element for E29. Because many of the most capable individuals in the mining industry work for companies who can offer attractive cash and bonus compensation and a high level of employment security, Options represent a compensation element that balances the loss of employment security that such individuals must accept when moving to a junior exploration company such as E29. Options are also an important component of aligning the objectives of E29's executive officers and consultants with those of its Shareholders, while encouraging them to remain associated with the Company. E29 expects to provide significant Option positions to its executive officers and consultants. The precise amount of Options to be offered will be governed by the importance of the role within the Company, by the competitive environment within which E29 operates, and by the regulatory limits on Option grants that cover organizations such as E29. When considering an award of Options to an executive officer, consideration of the number of Options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

See "*Report on Executive Compensation – Description of Stock Option Plan*" for a summary of the key terms of the Stock Option Plan.

#### *RSUs*

NEOs are also entitled to participate in the Share Unit Plan and therefore are eligible for RSUs issued under the Share Unit Plan. The Board considers that RSUs granted under the Share Unit Plan are an appropriate way to attract and

retain NEOs, as their value is tied to the performance of the Company relative to the wider industry over the applicable performance measurement periods.

The Board is responsible for administering the Share Unit Plan. The Board determines the vesting period for the RSUs. The RSUs settle in Common Shares, cash or a combination of Common Shares and cash at the discretion of the Board.

The Company will grant overall RSUs based on the total RSUs available for grant. No RSUs were granted to NEOs in the respective financial period ended December 31, 2021.

#### *Compensation Risks*

In making its compensation-related decisions, the Board carefully considers the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Company's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by the Company are:

- (d) that the Company will be forced to raise additional funding (causing dilution to Shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- (e) that the Company will have insufficient funding to achieve its objectives

#### *Executive Compensation-Related Fees*

For the financial year ended December 31, 2021, no fees were billed to the Company by any consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the Company's directors and executive officers or for any other services.

#### *Hedging Named Executive Officers or Directors*

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director.

#### **Compensation, Excluding Options and Compensation Securities**

The following table sets out the compensation, excluding options and compensation securities, paid to the individuals who were directors or NEOs during the years ended December 31, 2020 and December 31, 2021. The table sets out the total compensation paid during the years ended December 31, 2020 and December 31, 2021.

Table of Compensation Excluding Options and Compensation Securities							
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Richard Osmond, Interim President, Chief Executive Officer and Director <sup>(1)</sup>	2021	83,000	Nil.	Nil.	Nil.	Nil.	83,000
	2020	15,000	Nil.	Nil.	Nil.	Nil.	15,000
Brian Booth, Former President, Chief Executive Officer and Director <sup>(2)</sup>	2021	202,083	Nil.	Nil.	Nil.	Nil.	202,083
	2020	275,000	50,731	Nil.	Nil.	Nil.	325,731
Duane Lo, Chief Financial Officer	2021	90,000	Nil.	Nil.	Nil.	Nil.	90,000
	2020	94,639	Nil.	Nil.	Nil.	Nil.	94,639
Paul Johnston, Vice President Exploration <sup>(3)</sup>	2021	165,000	Nil.	Nil.	Nil.	Nil.	165,000
	2020	Nil.	Nil.	Nil.	Nil.	Nil.	0
Patrick Elliott, Independent Director	2021	21,000	Nil.	Nil.	Nil.	Nil.	21,000
	2020	30,000	Nil.	Nil.	Nil.	Nil.	30,000
Peter Espig, Independent Director	2021	24,000	Nil.	Nil.	Nil.	Nil.	24,000
	2020	7,644	Nil.	Nil.	Nil.	Nil.	7,644
Michael Doggett, Independent Director	2021	21,000	Nil.	Nil.	Nil.	Nil.	21,000
	2020	2,589	Nil.	Nil.	Nil.	Nil.	2,589
Ricardo Labo Fossa, Independent Director <sup>(4)</sup>	2021	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
	2020	15,000	Nil.	Nil.	Nil.	Nil.	15,000

Notes:

- (1) Mr. Osmond was appointed as Interim CEO, President on September 29, 2021 following the resignation of Mr. Booth.
- (2) Mr. Booth resigned as President, Chief Executive Officer and a director on September 25, 2021.
- (3) Mr. Johnston was appointed as Vice President Exploration on February 4, 2021.
- (4) Mr. Labó resigned as a director of the Company on September 7, 2020.

### Stock Options and Other Compensation Securities

The following table sets forth information with respect to the Options granted under the Stock Option Plan or other rights to acquire securities of the Company to NEOs and directors during the year ended December 31, 2021.

Compensation Securities							
Name and Principal Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class <sup>(3)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Richard Osmond, Interim President, Chief Executive Officer and Director <sup>(1)</sup>	Stock option	300,000	04-Feb-21	0.45	0.45	0.58	03-Feb-26
Duane Lo, Chief Financial Officer	Stock option	150,000	04-Feb-21	0.45	0.45	0.58	03-Feb-26
Paul Johnston, Vice President Exploration <sup>(2)</sup>	Stock option	400,000	04-Feb-21	0.45	0.45	0.58	03-Feb-26
Patrick Elliott, Independent Director	Stock option	250,000	04-Feb-21	0.45	0.45	0.58	03-Feb-26
Peter Espig, Independent Director	Stock option	250,000	04-Feb-21	0.45	0.45	0.58	03-Feb-26
Michael Doggett, Independent Director	Stock option	250,000	04-Feb-21	0.45	0.45	0.58	03-Feb-26

Notes:

- (1) Mr. Booth, President, Chief Executive Officer and a director, retired from the Company on September 25, 2021.
- (2) Mr. Johnston was appointed as Vice President Exploration on February 4, 2021.
- (3) Stock options vest 50% at the date of grant and 50% on the 1<sup>st</sup> anniversary of the date of grant.

As of May 25, 2022, there were 6,610,000 options issued and outstanding and 514,086 shares remaining available for issue pursuant to the Corporation’s Stock Option Plan and 800,000 share based awards issued and outstanding pursuant to the Corporation’s equity compensation plans.

**Exercise of Options and Compensation Securities by Directors and NEOs**

Exercise of Compensation Securities by Directors and NEOs							
Name and Principal Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Paul Johnston, Vice President Exploration	Stock option	690,000	0.10	22-Jan-21	0.435	.005	227,700
Patrick Elliott, Independent Director	Stock option	750,000	0.10	27-Jan-21	0.43	0.00	247,500

**External Management Companies**

Other than as disclosed below under “Employment, Consulting and Management Agreements”, the Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or Directors and, other than as disclosed below, the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

**Employment, Consulting and Management Agreements**

As of the date hereof, other than as described below, the Company does not have any contract, agreement, plan or arrangement that provides for payments to the Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a director or Named Executive Officer's responsibilities.

For the purposes of this section “**Change of Control**” means change in control of the Company, which includes the acquisition by a person of 50% or more of the voting securities of the Company, the removal of 50% or more of the incumbent members of the Board, or a transaction the result of which is that the current voting Shareholders of the Company own less than 50% of the voting shares of the resulting or successor corporation, or the sale of all or substantially all of the Company’s assets.

*Steve Stakiw Employment Agreement*

The Company entered into an employment agreement with Steve Stakiw dated March 30, 2022, with respect to the provision of services to the Company as Chief Executive Officer, President and a member of the Board (the “**Stakiw Employment Agreement**”). Pursuant to the terms and conditions of the Stakiw Employment Agreement, Mr. Stakiw provided the Company with certain services consisting of key responsibilities, including: corporate vision; financial planning; management system; management team; marketing and investor strategy; and corporate development.

The Company pays Mr. Stakiw a base salary of \$16,666.67 per month (\$200,000 Annual Salary) and pursuant to the Stakiw Employment Agreement, granted Mr. Stakiw incentive stock options in the aggregate of 500,000 options to purchase Common Shares of the Company at an exercise price of \$0.59 per Common Share. The stock options vest 50% on March 30, 2022 and 50% on January 1, 2023. Mr. Stakiw is also entitled to an annual Performance Bonus (as defined in the Stakiw Employment Agreement) of up to 50% of annual salary subject to the Board's discretionary approval of Mr. Stakiw's achievement of Significant Value Creation Events (as defined in the Stakiw Employment Agreement).

The Stakiw Employment Agreement may be terminated by the Company, without just cause on or before December 31, 2022, upon the Company's payment to Mr. Stakiw, in a lump sum equal to 50% of the Annual Salary or after December 31, 2022 in a lump sum equal to 100% of the Annual Salary. In the event of an Involuntary Termination (as defined in the Stakiw Employment Agreement) which occurs within six (6) months of a Change of Control the Company shall pay Mr. Stakiw, no later than thirty (30) days from the date that the Involuntary Termination occurs, a lump sum payment of \$200,000 as a severance payment.

#### *Brian Booth Employment Agreement*

The Company entered into an employment agreement with Brian Booth dated January 15, 2019, with respect to the provision of services to the Company as Chief Executive Officer, President and a member of the Board (the "**Booth Employment Agreement**"). Pursuant to the terms and conditions of the Booth Employment Agreement, Mr. Booth provided the Company with certain services consisting of key responsibilities, including: corporate vision; financial planning; management system; management team; marketing and investor strategy; and corporate development.

The Company paid Mr. Booth a base salary of \$22,916.67 per month and pursuant to the Booth Employment Agreement, granted Mr. Booth the right to purchase an aggregate of 2,000,000 Common Shares at a price of \$0.10 per Common Share, to be purchased in four equal annual instalments beginning on January 15, 2019. Mr. Booth was also entitled to an annual Performance Bonus (as defined in the Booth Employment Agreement) of up to 50% of annual salary subject to the Board's discretionary approval of Mr. Booth's achievement of annual Key Performance Objectives (as defined in the Booth Employment Agreement), and an additional annual Performance Bonus of up to 50% of annual salary subject to the Board discretionary approval of Mr. Booth's achievement of Significant Value Creation Events (as defined in the Booth Employment Agreement).

The Booth Employment Agreement may be terminated by the Company, without just cause on or after January 15, 2020, upon the Company's payment to Mr. Booth, in lump sum, of the following; (i) 12 months' base salary in lieu of notice, (ii) any earned but unpaid Performance Bonus for a prior calendar year, and (iii) a pro-rated portion, determined by the Board, acting reasonably, of the Performance Bonus which would have been earned in the calendar year in which termination of employment occurs. In the event of termination, the Company shall continue Mr. Booth's eligibility for health and dental benefits for a period of 12 months. In the event of an Involuntary Termination (as defined in the Booth Employment Agreement) which occurs within six (6) months of a Change of Control the Company shall pay Mr. Booth, no later than thirty (30) days from the date that the Involuntary Termination occurs, a lump sum payment of \$550,000 as a severance payment.

Mr. Booth retired from the Company on September 25, 2021.

#### *Kaman Capital Corp. Service Agreement*

Duane Lo, Chief Financial Officer of the Company provides his services to the Company through Kaman Capital Corp. ("**Kaman**"). The Company and Kaman entered into a service agreement effective January 20, 2019 (the "**Kaman Services Agreement**"), with respect to the provision of services which include, monthly accounting and bookkeeping services, tax filings and assistance and guidance on other corporate financial matters in exchange for an hourly rate of \$100 per hour. The Company and Kaman entered into a revised service agreement effective February 1, 2021 (the "**Kaman Revised Agreement**") and established the monthly consulting fee to be \$7,500 per month plus applicable taxes (the "**Consulting Fee**").

The Company may terminate the Kaman Revised Agreement immediately upon Kaman’s substantial negligence or misconduct in the provision of the services, as determined in the sole discretion of the Company. Upon such a termination, Kaman will receive only the Consulting Fees (as defined in the Kaman Revised Agreement) and reimbursement for expenses accrued up to the date of termination. Upon termination by the Company other than for non-performance, misconduct or negligence of Kaman, the Company will provide Kaman with a lump sum equal to 12 months Consulting Fees accrued as at the date of termination.

*Paul Johnston Employment Agreement*

The Company entered into an employment agreement with Paul Johnston dated February 1, 2021, with respect to the provision of services to the Company as Vice President Exploration (the “**Johnston Employment Agreement**”). Pursuant to the terms and conditions of the Johnston Employment Agreement, Mr. Johnston provided the Company with certain services consisting of key responsibilities, including: corporate vision; exploration planning; management system; management team; strategic planning and technical analysis and disclosure.

The Company paid Mr. Johnston a base salary of \$15,000 per month and pursuant to the Johnston Employment Agreement, granted Mr. Johnston incentive stock options in the aggregate of 400,000 options to purchase Common Shares of the Company at an exercise price of \$0.30 per Common Share. The stock options vest 50% on February 3, 2021 and 50% on February 3, 2022. Mr. Johnston is also entitled to an annual Performance Bonus and an additional annual Performance Bonus subject to the Board discretionary approval of Mr. Booth’s achievement of key performance objectives (as defined in the Johnston Employment Agreement).

The Johnston Employment Agreement may be terminated by the Company, without just cause on or before February 1, 2022, upon the Company’s payment to Mr. Stakiw, in a lump sum equal to \$15,000 or after February 1, 2022 in a lump sum equal to 100% of the Annual Salary and any unpaid Performance Bonus for a prior calendar year. In the event of an Involuntary Termination (as defined in the Johnston Employment Agreement) which occurs within six (6) months of a Change of Control the Company shall pay Mr. Johnston, no later than thirty (30) days from the date that the Involuntary Termination occurs, a lump sum payment of \$180,000 as a severance payment.

*Pension Plan Benefits*

The Company does not anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement.

**Director Compensation**

The Board approved a policy in respect of director compensation on March 22, 2021, which entitles each director, except for the CEO and Chair, to an annual retainer equal to \$21,000. E29 contemplates that each director, will be entitled to participate in the Stock Option Plan and any other security-based compensation arrangement or plan adopted by E29 with the approval of the Board and/or E29’s Shareholders, as may be required by applicable law or TSXV policies.

The following table is a summary of all compensation provided to the directors of the Company (other than directors who are also NEOs) for the most recently completed financial year.

Name	Fees earned (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Richard Osmond	27,000	108,504	Nil.	Nil.	Nil.	135,504
Patrick Elliott	21,000	90,420	Nil.	Nil.	Nil.	111,420

Peter Espig	24,000	90,420	Nil.	Nil.	Nil.	114,420
Michael Doggett	21,000	90,420	Nil.	Nil.	Nil.	111,420

- (1) The Company uses the Black-Scholes option-pricing model for determining fair value of stock options issued at the grant date. The Company selected the Black-Scholes option-pricing model because it is widely used in estimating option-based compensation values by Canadian public companies.

The following table is a summary of all option-based awards to the directors that were outstanding at the end of the most recently completed financial year.

Name	Total number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of options that have not vested (#)	Value of options that have not vested (\$)
Richard Osmond	200,000	0.30	18-May-25	56,000	66,667	18,667
	300,000	0.45	3-Feb-26	39,000	150,000	19,500
Patrick Elliott	150,000	0.30	18-May-25	42,000	50,000	14,000
	250,000	0.45	3-Feb-26	32,500	125,000	16,250
Peter Espig	150,000	0.30	18-May-25	42,000	50,000	14,000
	250,000	0.45	3-Feb-26	32,500	125,000	16,250
Michael Doggett	150,000	0.50	9-Nov-25	12,000	50,000	4,000
	250,000	0.45	3-Feb-26	32,500	125,000	16,250

Notes:

- (2) Calculated using the closing price of the Company's common shares on the TSX on December 31, 2021 (being the last trading day of 2021) of \$0.58 and subtracting the exercise price of in-the-money options.

### Description of Stock Option Plan

On August 24, 2021 the Shareholders of the Company approved the Stock Option Plan (the "SOP"). The purpose of the SOP is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long terms goals of the Company and to enable and encourage those individuals to acquire Common Shares as long term investments. Upon becoming a reporting issuer, the Company will be required to obtain Shareholder approval of the SOP on a yearly basis in accordance with the policies of the TSXV. The general terms and conditions of the SOP are reflected in the disclosure below.

#### Key Terms

#### Summary

##### Administration

The SOP will be administered by the Board, or such director or other senior officer or employee of the Company as may be designated as administrator by the Board. The Board or such committee may make, amend and repeal at any time, and from time to time, such regulations not inconsistent with the SOP.

##### Number of Common Shares

The maximum number of Common Shares issuable under the SOP shall not exceed 10% of the number of Common Shares issued and outstanding as of each date on which the Board grants the Option (the "Award Date") with certain limits on grants to Participants (as defined in the SOP), Participants who are

Insiders (as defined in the SOP), Eligible Employees (as defined in the SOP) and Participants conducting Investor Relations Activities (as defined in the SOP) in accordance with the rules and policies of the TSXV. The number of Common Shares underlying Options that have been cancelled, that have expired without being exercised in full, and that have been issued upon exercise of Options shall not reduce the number of Common Shares issuable under the Plan and shall again be available for issuance thereunder.

**Securities**

Each Option entitles the holder thereof (an “**Option Holder**”) to purchase one Common Share at an exercise price determined by the Board.

**Participation**

Any director, senior officer, Management Company (as defined in the policies of the TSXV), employee or consultant of the Company (including any subsidiary of the Company), as the Board may determine.

**Exercise Price**

The exercise price of an Option will be determined by the Board in its sole discretion, provided that the exercise price will not be less than the Discounted Market Price (as defined in the policies of the TSXV) (or, if the Common Shares are not listed for trading on the TSXV, then the permissible discounted market price on such exchange or quotation system on which the Common Shares are then listed or quoted for trading) or such other price as may be required or permitted by the TSXV from time to time.

**Exercise Period**

The exercise period of an Option will be the period from and including the award date through to and including the expiry date that will be determined by the Board at the time of grant (the “**Expiry Date**”), provided that the Expiry Date of an Option will be no later than the tenth anniversary of the Award Date of the Option, provided that such date does not fall within a Blackout Period (as defined in the SOP), and any Options granted to any Optionee (as defined in the SOP) who is a Director, Eligible Employee, or Other Participant (each as defined in the SOP) will expire within 12 months following the date that such Optionee ceases to be engaged in such role.

**Cessation of Employment**

Subject to certain limitations, in the event that an Option Holder ceases to be a director of the Company or of a Designated Affiliate (as defined in the SOP) or ceases to be employed by the Company, other than by reason of death, the Expiry Date of the Option will be 90 days after the date of such Termination (as defined in the SOP), except as otherwise provided in any employment contract. Notwithstanding the foregoing or any employment contract, in no event shall such right be extended beyond the Option Period or one year from the date of Termination.

In the event that an Option Holder should die while he or she is still director, senior officer, Management Company, employee or Consultant of the Company, the Expiry Date will be 12 months from the date of death of the Option Holder.

**Acceleration Events**

If the Company seeks shareholder approval for a transaction which would constitute an Acceleration Event (as defined in the SOP) or third party makes a bona fide formal offer to the Company or its shareholders which would constitute an Acceleration Event, the Board may (i) permit the Option Holders

to exercise their Options, as to all or any of such Options that have not previously been exercised (regardless of any vesting restrictions), but in no event later than the Expiry Date of the Option, so that the Option Holders may participate in such transaction; and (ii) require the acceleration of the time for the exercise of the Options and of the time for the fulfilment of any conditions or restrictions on such exercise.

Notwithstanding any other provision of the SOP or the terms of any Option, if at any time when Options remains unexercised and the Company completes any transaction which constitutes an Acceleration Event, all outstanding unvested Options will automatically vest.

Any proposed acceleration of vesting provisions is subject to the policies and necessary approvals of the TSXV, if applicable.

## **Limitations**

The maximum number of Common Shares which may be issued, within any one-year period, to Insiders under the SOP, together with any other share-based compensation arrangements of the Company, will be 10% of the total number of Common Shares issued and outstanding. The total number of Options awarded to any one individual in any twelve-month period will not exceed 5% of the issued and outstanding Common Shares of the Company at the Award Date unless the Company has obtained disinterested shareholder approval as required by the TSXV.

The total number of Options awarded to any one Consultant (as defined in the policies of the TSXV) of the Company in any twelve-month period will not exceed 2% of the issued and outstanding Common Shares of the Company at the Award Date unless consent is obtained from the TSXV.

The total number of Options awarded to all persons retained by the Company to provide Investor Relations Activities will not exceed 2% of the issued and outstanding Common Shares of the Company, in any twelve-month period, calculated at the Award Date unless consent is obtained from the TSXV. Options granted to persons retained to provide Investor Relations Activities will vest in stages over not less than twelve months with no more than one quarter of the options vesting in any three-month period.

## **Amendments**

Subject to certain exceptions and any applicable regulatory approval, the Board may amend the SOP to be awarded for the purpose of complying with any changes in any relevant law, TSXV policy, rule or regulation applicable to the SOP, any Option or the Common Shares, or for any other purpose which the Board may deem desirable or necessary and may be permitted by all relevant laws, rules and regulations, provided that any such amendment will not materially impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. The SOP may be amended, without obtaining the approval of the TSXV, to (i) reduce the number of Common Shares under an Option, or (ii) increase the exercise price or cancel an Option, provided the Company issues a news release outlining the terms of the amendment.

The Board may only amend the provisions of the SOP relating to the following if the Board obtains the approval of the shareholders of the Company: (i) persons eligible to be granted Options under the SOP; (ii) the maximum number or percentage of Common Shares reserved for issuance upon exercise of

Options available under the SOP (iii) the limitations on grants of Options to any one person, Insiders, Consultants, or persons involved in Investor Relations Activities; (iv) the method for determining the exercise price for Options; (v) the maximum term of Options; (vi) the expiry and termination provisions applicable to Options; or (vii) amendments to the amendment provisions of the SOP.

Disinterested shareholders of the Company must approve any amendment to Options held by an Insider at the time of the amendment that would have the effect of decreasing the exercise price of such Options.

Any amendments to the Option Plan or outstanding stock options are subject to the approval of the TSXV and, if required by the TSXV, of the shareholders of the Company, possibly with only disinterested shareholders entitled to vote. The amendment to an outstanding stock option will also require the consent of the Optionee.

No options have been granted under the Option Plan which remain subject to shareholder approval.

The Plan does not permit stock options to be transformed into stock appreciation rights.

*Equity Compensation Plan Information*

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	7,410,000	0.50	514,086
Equity compensation plans not approved by securityholders	Nil.	Nil.	Nil.
Total	7,410,000	0.50	514,086

**STATEMENT ON CORPORATE GOVERNANCE**

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and Shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased, and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company’s approach to corporate governance is set forth below.

### **Mandate of the Board**

The Board assumes responsibility for the stewardship of the Company and the enhancement of Shareholder value. The Board is responsible for:

- (f) adopting a strategic plan for the Company and reviewing the plan in light of management’s assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products;
- (g) ensuring that the risk management of the Company is prudently addressed;
- (h) reviewing the Company’s approach to human resource management and overseeing succession planning for management;
- (i) reviewing the Company’s approach to corporate governance, including an evaluation of the adequacy of the mandate of the Board, director independence standards and compliance with the Company’s Code of Business Conduct and Ethics; and
- (j) upholding a comprehensive policy for communications with Shareholders and the public at large.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of E29. The Board intends to meet at least annually and at each meeting there is a review of the business of E29.

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company’s management being in attendance.

### **Composition of the Board**

The Board is composed of five directors, three of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with E29, as defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”). A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Patrick Elliott, Peter Espig and Michael Doggett are considered independent for the purposes of NI 58-101. Richard Osmond as Interim Chief Executive Officer and President, and Steve Stakiw, as Chief Executive Officer and President, are not considered independent for the purposes of NI 58-101.

### **Inter-locking Directorships**

Some of the directors of the Company serve on the same boards of directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions. The following table lists the directors of the Company who serve on boards of directors of other reporting issuers (or the equivalent) and the identities of such reporting issuers (or the equivalent).

<u>Name of Director</u>	<u>Reporting Issuers (or the Equivalent)</u>
Richard Osmond	SSR Mining Inc.

Patrick Elliott	GFG Resources Inc.
Peter Espig	MLK Gold Ltd.
Michael Doggett	Nicola Mining Inc. Sweet Earth Holdings Meridius Resources Limited
	Minco Capital Corp. HempNova Lifetech Corporation

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of these directors on the Board or create any potential for conflicts of interest. However, certain of the Company's directors are, or may become, directors, officers or shareholders of other companies with businesses which may conflict with the Company's business.

See also "*Other Information – Interest of Informed Persons in Material Transactions*".

### **Orientation and Education**

Each new director participates in the Company's initial orientation program and each director participates in the Company's continuing director development programs. The Board reviews the Company's initial orientation program and continuing director development programs. E29 provides new directors copies of relevant financial, technical, geological and other information regarding its properties and meetings with management. Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

### **Ethical Business Conduct**

E29 has adopted a written Code of Business Conduct and Ethics, which emphasizes the importance of matters relating to honest and ethical conduct, conflicts of interest, confidentiality of corporate information, protection and proper use of corporate assets and opportunities, compliance with applicable laws, rules and regulations and the reporting of any illegal or unethical behaviour.

### **Other Board Committees**

As of the date hereof, the Board has no committees other than the Audit Committee. The Board will consider the formation of other committees, as necessary, following completion of the Offering.

### **Director Assessment**

The Board is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, the individual committees of the Board, and the individual members of the Board and such committees with a view of ensuring that they are fulfilling their respective responsibilities and duties. In connection with such evaluations, each director is required to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of the individual directors, annually. Such evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant factors.

## **AUDIT COMMITTEE**

The Company has formed an Audit Committee comprising Peter Espig (chair), Michael Doggett and Patrick Elliott all of whom are "financially literate" as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Peter Espig, Michael Doggett and Patrick Elliott are considered "independent", pursuant to NI 52-110.

The Audit Committee provides assistance to the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities include: (i) reviewing and reporting to the Board on the annual audited financial statements (including the auditor's report thereon) and unaudited interim financial statements and any related management's discussion and analysis, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit Committee pursuant to applicable legal and regulatory requirements; (ii) reviewing material changes in accounting policies and significant changes in accounting practices and their impact on the financial statements; (iii) overseeing the audit function, including engaging in required discussions with the Company's external auditor and reviewing a summary of the annual audit plan at least annually, overseeing the independence of the Company's external auditor, overseeing the Company's internal auditor, and pre-approving any non-audit services to the Company; (iv) reviewing with management and the Company's external auditors, at least annually, the integrity of the internal controls over financial reporting and disclosure; (v) reviewing management reports related to legal or compliance matters that may have a material impact on the Company and the effectiveness of the Company's compliance policies; and (vi) maintain, review and update the Company's whistleblowing procedures as set forth in the Company's whistleblower policy.

The full text of the Audit Committee Charter is attached to this Circular as Schedule "B".

### **Relevant Education and Experience**

Each proposed member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

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

#### *Peter Espig*

Mr. Espig has over 15 years of capital market experience and has been involved in publicly traded companies since 2006. In this time, Mr. Espig has served on the audit committee of several public companies, including NXGold Ltd. (TSXV: NXN) (previously Long Harbour Exploration Corp.), Canada One Mining Corp. (TSXV: CONE) (previously Anglo-Canadian Mining Corp.) and Nicola Mining Inc. (TSXV: NIM). Mr. Espig is very familiar with managing junior listed companies, including financing and compliance with reporting requirements. Mr. Espig has experience with various operational and reporting requirements, including the reporting of internal financial reporting requirements and economic projections. Based on his experience, Mr. Espig has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

#### *Michael Doggett*

Mr. Doggett is an accomplished mineral economist with 35 years of experience working with clients in some 20 countries on issues related to project evaluation, mineral taxation, private and government royalties, and industry exploration trends. He has served on the board of 6 public companies as well as the PDAC and the Committee on Earth Resources at the U.S. National Academy of Sciences. Mr. Doggett has experience with budgeting, economic assessments and financial reporting throughout roles at various private and publicly traded companies. Based on his experience, Mr. Doggett has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

*Patrick Elliott*

Mr. Elliott has over 10 years of experience in the mining sector. Mr. Elliott has been a board member of several private companies and has experience with various operational and reporting requirements, including the reporting of internal financial reporting requirements and economic projections. Based on his experience, Mr. Elliott has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

**Pre-Approval Policies and Procedures**

The Audit Committee mandate requires that the Audit Committee pre-approve any retainer of the auditor of the Company to perform any non-audit services to the Company that it deems advisable in accordance with applicable legal and regulatory requirements and policies and procedures of the Board. The Audit Committee is permitted to delegate pre-approval authority to one of its members; however, the decision of any member of the Audit Committee to whom such authority has been delegated must be presented to the full Audit Committee at its next scheduled meeting.

**Reliance on Certain Exemptions**

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, pursuant to which the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

***External Auditor Service Fees by Category***

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) were as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All Other Fees<sup>(3)</sup></b>
December 31, 2021	\$37,000	Nil.	\$5,500	Nil.
December 31, 2020	\$25,000	Nil.	\$8,250	\$95,000

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

**OTHER INFORMATION**

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

Other than as disclosed elsewhere in this Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

**Interest of Informed Persons in Material Transactions**

To the knowledge of the Company, after reasonable enquiry, informed person of the Company, no proposed nominee for election as a Director of the Company, and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Company's

most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

### Indebtedness of Officers and Directors to the Company

None of the directors, executive officers or employees of the Company or former directors, executive officers or employees of the Company or its subsidiaries had any indebtedness outstanding to the Company or any of the subsidiaries as at the date hereof and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of the subsidiaries as at the date hereof, except as disclosed below. Additionally, no individual who is, or at any time during the Company's last financial year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last financial year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, including indebtedness for security purchase or any other programs, except as disclosed below.

AGGREGATE INDEBTEDNESS (\$) <sup>(1)</sup>		
Purpose	To the Company or its subsidiaries	To another entity
Common Share purchases	Nil.	Nil
Other	Nil	Nil

Note:

(1) As at July 6, 2021.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE PROGRAMS						
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding during the year ended December 31, 2021	Amount Outstanding as at May 25, 2022	Financially Assisted Securities Purchases during the year ended December 31, 2021	Security for Indebtedness	Amount Forgiven During the year ended December 31, 2021
Brian Booth, Former President and CEO <sup>(1)</sup>	The Company is the lender.	\$57,996	Nil.	Nil.	Security Interest in the common shares granted pursuant to a Securities Pledge Agreement	Nil.

Notes:

(1) Brian Booth no longer provides services to, and is no longer a director of, the Company as of September 25, 2021.

In prior years, the Company issued common shares of the Company to certain executives in exchange for promissory notes (the “Promissory Note”) to the Company.

In November 2018, Neil O’Brien, the former Non-Executive Chairman, was issued 1,500,000 common shares of the Company in exchange for a Promissory Note of \$150,000. The former Non-Executive Chairman’s Promissory Note bore interest at 2% per annum, would mature on April 1, 2022 and was secured by the 1,500,000 common shares of the Company acquired with the Promissory Note and were held in escrow. In January 2020, the former Non-Executive Chairman repaid \$51,250 of the outstanding balance. In June 2020, the former Non-Executive Chairman resigned from the Company and cancelled the remaining balance of the Promissory Note. As a result, 1,000,000 common shares in relation to this Promissory Note were returned to treasury and cancelled.

In January 2019, Brian Booth, the former Chief Executive Officer and President, was issued 2,000,000 common shares of the Company in exchange for a Promissory Note of \$200,000. The former Chief Executive Officer’s Promissory Note bore interest at 2% per annum, would mature on September 15, 2022 and was secured by the 1,500,000 common shares of the Company acquired with the Promissory Note and were held in escrow. On September 25, 2021, the former Chief Executive Officer and President retired from the Company and the remaining balance of the Promissory Note was cancelled. As a result, 538,508 common shares in relation to this Promissory Note were returned to treasury and cancelled.

In February 2019, Aleksandra Bukacheva, the former Vice President of Business Development, was issued 1,500,000 common shares of the Company in exchange for a Promissory Note of \$150,000. The former Vice President of Business Development’s Promissory Note bore interest at 2% per annum, would mature on September 1, 2022 and was secured by the 1,500,000 common shares of the Company acquired with the Promissory Note and were held in escrow. In November 2020, the former Vice President of Business Development resigned from the Company and repaid the remaining balance of the Promissory Note.

### **Other Business**

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

### **Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders of the Company may request a copy of the Company’s consolidated financial statements and management’s discussion and analysis by writing to the Corporate Secretary, Element 29 Resources Inc., at Suite 1650 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 or by telephone at 888-246-7881.

Financial information is provided in the Company’s comparative annual financial statements and management’s discussion and analysis for its most recently completed financial year, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Approval by Directors**

The contents of this Circular and the sending, communication or delivery thereof to the Shareholders have been approved by the Board of the Company. A copy of this Circular has been sent to each director, each Shareholder entitled to notice of the Meeting and the auditors of the Company.

DATED as of the 25<sup>th</sup> day of May, 2022.

(Signed) "*Richard Osmond*"

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Richard Osmond  
Director

**SCHEDULE "A"**  
**STOCK OPTION PLAN**

**See attached.**

## ELEMENT 29 RESOURCES INC.

### SHARE OPTION PLAN

#### ARTICLE ONE

##### DEFINITIONS AND INTERPRETATION

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

- (a) "**Blackout Period**" means a period of time during which (i) the trading guidelines of the Corporation, as amended or replaced from time to time, restrict one or more Participants from trading in securities of the Corporation or (ii) the Corporation has determined that one or more Participants may not trade any securities of the Corporation;
- (b) "**Blackout Period Expiry Date**" means the date on which a Blackout Period expires;
- (c) "**Business Day**" means a day on which the Stock Exchange is open for trading, provided that if the Common Shares are not listed on a Stock Exchange, means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;
- (d) "**Committee**" means the Directors or, if the Directors so determine in accordance with Section 2.03 hereof, the committee of the Directors authorized to administer this Share Option Plan;
- (e) "**Common Shares**" means the common shares of the Corporation, as adjusted in accordance with the provisions of article five hereof from time to time;
- (f) "**Corporation**" means Element 29 Resources Inc., a corporation existing under the *Business Corporations Act* (British Columbia), and any successor thereof;
- (g) "**Designated Affiliates**" means the affiliates of the Corporation designated by the Committee for purposes of this Share Option Plan from time to time;
- (h) "**Directors**" means the directors of the Corporation from time to time;
- (i) "**Eligible Directors**" means the Directors or the directors of any Designated Affiliate from time to time;
- (j) "**Eligible Employees**" means employees and officers, whether Directors or not, of the Corporation or any Designated Affiliate, provided that such employees and officers are either individuals who are considered employees under the *Income Tax Act* (Canada) or individuals who work full-time, or on a continuing and regular basis for a minimum amount of time per week, for the Corporation or a Designated Affiliate providing services normally provided by an employee and who are subject to the same control and direction by the Corporation or a Designated Affiliate over the details and methods of work as an employee of the Corporation or a Designated Affiliate, but for whom income tax deductions are not made at source;

- (k) "**Employment Contract**" means any contract between the Corporation or any Designated Affiliate and any Eligible Employee, Eligible Director or Other Participant relating to, or entered into in connection with, the employment or departure of the Eligible Employee, the appointment, election or departure of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Corporation or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or the termination of employment, appointment, election or engagement of such Participant;
- (l) "**Exercise Price**" has the meaning given to such term in Section 3.03 hereof;
- (m) "**Insider**" has the meaning given to such term in the policies of the TSX Venture Exchange;
- (n) "**Option**" means an option to purchase Common Shares granted pursuant to, or governed by, this Share Option Plan;
- (o) "**Optionee**" means a Participant to whom an Option has been granted pursuant to this Share Option Plan;
- (p) "**Option Period**" means the period of time during which the particular Option may be exercised, including as extended in accordance with Section 3.04 hereof;
- (q) "**Other Participant**" means, other than an Eligible Director or an Eligible Employee, any person engaged to provide ongoing management, advisory, consulting, technical or other services (other than services provided in relation to a distribution of securities of the Corporation) for the Corporation or a Designated Affiliate, or any employee of such person, under a written contract between the Corporation and such person, and who spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Designated Affiliate and has a relationship with the Corporation or a Designated Affiliate that enables such person to be knowledgeable about the business and affairs of the Corporation or Designated Affiliate, as the case may be;
- (r) "**Participant**" means each Eligible Director, Eligible Employee and Other Participant;
- (s) "**Share Option Plan**" means this share option plan as amended from time to time;
- (t) "**Stock Exchange**" means the TSX Venture Exchange or, if the Common Shares are not then listed on the TSX Venture Exchange, such other principal market on which the Common Shares are then traded as designated by the Committee from time to time;
- (u) "**Termination**" has the meaning given to such term in Section 3.11 hereof; and
- (v) "**U.S. Securities Act**" has the meaning given to such term in Section 4.02 hereof.

Section 1.02 **Securities Definitions.** In this Share Option Plan, the terms "affiliate" shall have the meaning given to such term in National Instrument 62-104 *Take-Over Bids and Issuer Bids*.

Section 1.03 **Headings.** The headings of all articles, sections, paragraphs and subparagraphs in this Share Option Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Share Option Plan.

Section 1.04 **Context, Construction.** Whenever the singular or masculine are used in this Share Option Plan the same shall be construed as being the plural or feminine or neuter or vice versa where

the context so requires. The word "person" shall be given the widest meaning possible and shall include, without limitation, an individual, a corporation, a partnership, a limited partnership or any other unincorporated entity.

Section 1.05 **References to this Share Option Plan.** The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Share Option Plan as a whole and not to any particular article, section, paragraph, subparagraph or other part hereof.

## ARTICLE TWO

### PURPOSE AND ADMINISTRATION OF THIS SHARE OPTION PLAN

Section 2.01 **Purpose of this Share Option Plan.** This Share Option Plan provides for the potential acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees, directors and consultants of the Corporation and the Designated Affiliates and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees, directors and consultants of the Corporation and the Designated Affiliates, it being generally recognized that share incentive plans can aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 **Administration of this Share Option Plan.** This Share Option Plan shall be administered by the Committee and the Committee shall have full authority to administer this Share Option Plan, including the authority to interpret and construe any provision of this Share Option Plan and to adopt, amend and rescind such rules and regulations for administering this Share Option Plan as the Committee may deem necessary or desirable in order to comply with the requirements of this Share Option Plan, subject in all cases to compliance with regulatory requirements. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Share Option Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of this Share Option Plan and of the rules and regulations established for administering this Share Option Plan. All costs incurred in connection with this Share Option Plan shall be for the account of the Corporation. If the Common Shares are listed on a Stock Exchange, this Share Option Plan shall be administered in accordance with the rules and policies of such Stock Exchange by the Committee so long as the Common Shares remain listed on the Stock Exchange.

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

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

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options.

Section 2.05 **Determination of Participants.** The Committee shall from time to time determine the Participants who may participate in this Share Option Plan. The Committee shall from time to time determine the Participants to whom Options shall be granted, the number of Common Shares to be made subject to, and the expiry date of, each Option granted to each Participant and the other terms, including any vesting provisions, of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of this Share Option Plan, and the Committee may take into consideration the present and potential contributions of, and the services rendered by, the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant. All Eligible Employees and Other Participants shall be bona fide Eligible Employees or Other Participants, as the case may be.

Section 2.06 **Maximum Number of Shares.**

- (a) The maximum number of Common Shares reserved for issue pursuant to this Share Option Plan shall be determined from time to time by the Committee but, in any case, shall not exceed, in the aggregate, 10% of the number of Common Shares then outstanding.
- (b) If the Common Shares are listed on the TSX Venture Exchange, the maximum number of Common Shares reserved for issue pursuant to Options granted under this Share Option Plan to Participants who are Insiders of the Corporation in any 12 month period shall not exceed 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (c) If the Common Shares are listed on the TSX Venture Exchange, the maximum number of Common Shares reserved for issue to any one Participant upon the exercise of Options in any 12 month period shall not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (d) If the Common Shares are listed on the TSX Venture Exchange, the maximum number of Common Shares reserved for issue to any one Other Participant upon the exercise of Options in any 12 month period shall not exceed 2% of the number of Common Shares then outstanding.
- (e) If the Common Shares are listed on the TSX Venture Exchange, the maximum number of Common Shares reserved for issue to all Eligible Employees and to all Other Participants conducting Investor Relations Activities (as such terms are defined in the policies of the TSX Venture Exchange) upon the exercise of Options in any 12 month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding. If the Common Shares are listed on the TSX Venture Exchange, Options granted to Other Participants performing Investor Relations Activities shall vest in stages over a 12 month period, with no more than  $\frac{1}{4}$  of the Options vesting in any three month period. The Directors shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all Optionees performing Investor Relations Activities. For purposes of this Section 2.06, "the number of Common Shares then outstanding" shall mean the number of Common Shares outstanding on a non-diluted basis calculated at the date of the proposed grant of the applicable Option.

### ARTICLE THREE

#### SHARE OPTION PLAN

Section 3.01 **The Share Option Plan and Participants.** This Share Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

Section 3.02 **Option Notice or Agreement.** Each Option granted to a Participant may be evidenced by a stock option notice or stock option agreement setting out terms and conditions consistent with the provisions of this Share Option Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

Section 3.03 **Exercise Price.** The price per share (the "**Exercise Price**") at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that, if the Common Shares are then listed on a Stock Exchange, the Exercise Price shall be not less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of the grant of such Option less the maximum discount, if any, permitted by the Stock Exchange or, if the Common Shares are not then listed on any stock exchange, the Exercise Price shall not be less than the fair market value of the Common Shares as may be determined by the Directors on the day immediately preceding the date of the grant of such Option. If the Common Shares are then listed on the TSX Venture Exchange, disinterested shareholder approval shall be required for any reduction in the Exercise Price of any Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment to the Exercise Price.

Section 3.04 **Term of Option.** The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to amendment by an Employment Contract, provided that in no event shall an Option Period exceed ten years, and any Options granted to any Optionee who is a Director, Eligible Employee, or Other Participant will expire within 12 months following the date that such Optionee ceases to be engaged in such role. Notwithstanding the definition of Option Period contained herein or the foregoing, the expiration date of an Option will be the date fixed by the Directors with respect to such Option unless such expiration date falls within a Blackout Period or within ten days after a Blackout Period Expiry Date, in which case the expiration date of the Option will be the date which is ten Business Days after the Blackout Period Expiry Date provided that neither the Optionee nor the Corporation is subject to a cease trade order or similar order in respect of the Corporation's securities. If the Common Shares are listed on the TSX Venture Exchange, disinterested shareholder approval shall be required for the extension of any Option Period if the Optionee is an Insider of the Corporation at the time of the proposed amendment to the Option Period.

Section 3.05 **Lapsed Options.** If Options granted under this Share Option Plan are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options (or such lapsed stock options).

Section 3.06 **Limit on Options to be Exercised.** Except as otherwise specifically provided herein or in any Employment Contract, Options may be exercised by the Optionee in whole at any time, or in part from time to time (in each case to the nearest full Common Share), during the Option Period only in accordance with the vesting schedule, if any, determined by the Committee, in its sole and absolute discretion, subject to the applicable requirements of the Stock Exchange, at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option. If the Committee does not determine a vesting schedule at the time of the grant of any particular Option, such Option shall be exercisable in whole at any time, or in part from time to time, during the Option Period, subject to the applicable requirements of the Stock Exchange. In the event that the Common Shares are listed on the TSX Venture Exchange, Options with an Exercise Price based on the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange), and the Common Shares issuable upon the exercise thereof, shall be subject to the restricted period and legending requirements imposed by the policies of the TSX Venture Exchange.

Section 3.07 **Eligible Participants on Exercise.** An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as

otherwise specifically provided in Section 3.10 or Section 3.11 hereof or in any Employment Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of the grant of such Option, provided however that a leave of absence with the approval of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of this Share Option Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of the grant of such Option; and
- (c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Corporation or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

**Section 3.08 Payment of Exercise Price.** The issue of Common Shares on the exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office of the Corporation together with a completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of this Share Option Plan. Subject to Section 3.12 hereof, upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable thereafter issue and deliver a certificate representing the Common Shares so purchased.

**Section 3.09 Acceleration on Take-over Bid, Consolidation, Merger, etc.** In the event that:

- (a) the Corporation seeks or intends to seek approval from the shareholders of the Corporation for a transaction which, if completed, would constitute an Acceleration Event (as defined below); or
- (b) a person makes a bona fide offer or proposal to the Corporation or the shareholders of the Corporation which, if accepted or completed, would constitute an Acceleration Event the Corporation may send notice to all Optionees of such transaction, offer or proposal and, provided that the Committee has determined that no adjustment will be made pursuant to Section 5.06 hereof, (i) the Committee may, by resolution and notwithstanding any vesting schedule applicable to any Option or Section 3.06 hereof, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option), so that the Optionee may participate in such transaction, offer or proposal, and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise to an earlier date chosen by the Committee in their unfettered discretion.

In this Section 3.09, an Acceleration Event means:

- (a) the acquisition by any "offeror" (as defined in National Instrument 62-104 *Takeover Bids and Issuer Bids*) of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
- (b) any consolidation, merger, statutory amalgamation or arrangement involving the Corporation and pursuant to which the Corporation will not be the continuing or surviving corporation or pursuant to which the Common Shares will be converted into cash or securities or property of another entity, other than a transaction involving the Corporation and in which the shareholders of the Corporation immediately prior to the completion of the transaction will have the same proportionate ownership of the surviving corporation immediately after the completion of the transaction;
- (c) a separation of the business of the Corporation into two or more entities;
- (d) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity; or
- (e) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

Section 3.10 **Effect of Death.** If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Corporation or Designated Affiliate on behalf of the Other Participant, shall die, any outstanding Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 3.06 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of 12 months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is earlier, and then only to the extent that such Optionee was entitled to exercise the Option at the date of the death of such Optionee in accordance with Sections 3.06, 3.07 and 3.11 hereof.

Section 3.11 **Effect of Termination of Engagement.** If a Participant shall:

- (a) cease to be a director of the Corporation or of a Designated Affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Corporation or the Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Corporation or any Designated Affiliate of the termination of his Employment Contract;

(the earliest to occur of any of the foregoing events being referred to herein as a "**Termination**"), except as otherwise provided in any Employment Contract, such Participant may, but only within the 90 days succeeding such Termination, exercise the Options to the extent that such Participant was entitled to exercise such Options at the date of such Termination. Notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period or one year from the date of Termination.

Section 3.12 **Necessary Approvals.** The obligation of the Corporation to issue and deliver any Common Shares in accordance with this Share Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant upon the exercise of an Option for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any exercise price paid to the Corporation in respect of the exercise of such Option shall be returned to the Participant.

#### ARTICLE FOUR

#### WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 4.01 **Withholding Taxes.** The Corporation or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Corporation or any Designated Affiliate for any amount which the Corporation or the Designated Affiliate is required to withhold with respect to such taxes.

Section 4.02 **Securities Laws of the United States of America.** Neither the Options which may be granted pursuant to this Share Option Plan nor the Common Shares which may be issued pursuant to the exercise of Options have been registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Securities Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Common Shares so issued may be required to have the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144

OR 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION (WHICH WILL BE DELIVERED PROMPTLY AND WILL NOT BE UNREASONABLY WITHHELD, BUT WHICH MAY BE CONDITIONAL ON DELIVERY OF A LEGAL OPINION IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION), PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE CORPORATION IN CONNECTION WITH A SALE OF THE SECURITIES REPRESENTED HEREBY AT A TIME WHEN THE CORPORATION IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and provided that the Corporation is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act at the time of such sale, such legend may be removed by providing a written declaration signed by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (A) represents and warrants that the sale of the securities of Element 29 Resources Inc. (the "**Corporation**") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on its behalf reasonably believe that the buyer was outside the United States or (B) the transaction was executed on or through the facilities of a Designated Offshore Securities Market and neither the undersigned nor any person acting on behalf thereof knows or has any reason to believe that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible

unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

- (d) other than as contemplated by paragraph 4.02(c) hereof, prior to making any disposition of any Common Shares acquired pursuant to this Share Option Plan which might be subject to the requirements of the U.S. Securities Act, the Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by paragraph 4.02(c) hereof, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to this Share Option Plan or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Securities Act and then will only dispose of such Common Shares in the manner so proposed;
- (f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to this Share Option Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to this Share Option Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by paragraph 4.02(c) hereof.

## **ARTICLE FIVE GENERAL**

**Section 5.01 Effective Time of this Share Option Plan.** This Share Option Plan shall become effective upon a date to be determined by the Directors.

**Section 5.02 Amendment of Plan.**

- (a) Subject to paragraphs (a) and (b), the Committee may from time to time in the absolute discretion of the Committee, subject to the applicable requirements of the Stock Exchange, amend, modify and change the provisions of this Share Option Plan or any Options granted pursuant to this Share Option Plan.
- (b) Notwithstanding any provisions to the contrary, if the Common Shares are listed on the TSX Venture Exchange, the Committee may only amend, modify or change the provisions of the Share Option Plan relating to the following if the Committee obtains the approval of the shareholders of the Corporation and, if required, by any stock exchange or any other

regulatory authority having jurisdiction over the securities of the Corporation, in respect thereof:

- (i) materially increase the benefits under this Share Option Plan or any Options granted pursuant to the Plan;
  - (ii) modify the maximum number or percentage of Common Shares, other than by virtue of sections 5.06 and 5.07 hereof, which may be issued pursuant to this Share Option Plan; or
  - (iii) materially modify the requirements as to eligibility for participation in this Share Option Plan;
- (c) If the Common Shares are listed on TSX Venture Exchange, disinterested shareholders of the Corporation must approve any amendment to Options held by an Insider at the time of the amendment that would materially increase the benefits under any of his Options granted pursuant to this Shares Option Plan/
- (d) This Share Option Plan may be amended, without obtaining the approval of the TSX Venture Exchange, to (i) reduce the number of Common Shares under Option, or (ii) increase the exercise price or cancel an Option, provided the Corporation issues a news release outlining the terms of the amendment. In the event that the Common Shares are listed on the TSX Venture Exchange, all other amendments to this Share Option Plan will require the approval of the TSX Venture Exchange.

**Section 5.03 Non-Assignable.** No rights under this Share Option Plan and no Option awarded pursuant to this Share Option Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

**Section 5.04 Rights as a Shareholder.** No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date of issue of certificates representing Common Shares acquired upon the exercise of Options of such Optionee.

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

**Section 5.06 Consolidation, Merger, etc.** If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under this Share Option Plan the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable.

**Section 5.07 Adjustment in Number of Common Shares Subject to the Plan.** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under this Share Option Plan;
- (b) the number of Common Shares subject to any Option; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Share Option Plan.

**Section 5.08 Securities Exchange Take-over Bid.** In the event that the Corporation becomes the subject of a take-over bid (within the meaning of National Instrument 62-104 *Takeover Bids and Issuer Bids*) as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement options to the Optionees on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and
- (c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

**Section 5.09 No Representation or Warranty.** The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Share Option Plan.

**Section 5.10 Participation through RRSPs and Holding Companies.** Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under this Share Option Plan, to participate in this Share Option Plan by holding any rights or Options granted under this Share Option Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 5.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying 100% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the equity securities of such corporation are directly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director. In the event that an Eligible Employee or Eligible Director elects to hold the Options granted under this Share Option Plan in a registered retirement savings plan or personal holding corporation, such Eligible Employee or Eligible Director must submit certifications, undertakings or any

other documents, if any, required by the Stock Exchange, and the provisions of this Share Option Plan shall continue to apply as if the Eligible Employee or Eligible Director held such Options directly.

Section 5.11 **Participant Information.**

- (a) Each Participant shall provide the Corporation with all information (including personal information) required in order to administer the Share Option Plan (the "**Participant Information**").
- (b) The Corporation may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Share Option Plan such service providers will be provided with such information for the sole purpose of providing services to the Corporation in connection with the operation and administration of the Share Option Plan. The Corporation may also transfer and provide access to Participant Information for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Share Option Plan expenses. By participating in the Share Option Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Corporation shall not disclose Participant Information except (i) as contemplated above in this Section 5.11, (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, person or body having jurisdiction over the Corporation to compel production of the information.

Section 5.12 **Compliance with Applicable Law.** If any provision of this Share Option Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction over the securities of the Corporation, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.13 **Interpretation.** This Share Option Plan shall be governed by, and be construed in accordance with, the laws of the Province of British Columbia.

**SCHEDULE "B"**  
**AUDIT COMMITTEE CHARTER**

**See attached.**

## **ELEMENT 29 RESOURCES INC.**

### **AUDIT COMMITTEE CHARTER**

As Adopted by the Board of Directors on July 8<sup>th</sup>, 2019

#### **I. PURPOSE**

The purpose of the Audit Committee (the “Committee”) of Element 29 Resources Inc. (the “Company”) is to:

1. Assist the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities relating to:
  - (a) the quality and integrity of the Company’s financial statements, financial reporting process and systems of internal controls and disclosure controls regarding risk management, finance, accounting, and legal and regulatory compliance;
  - (b) the appointment, independence, qualifications, and compensation of the Company’s independent accountants and review of the audit efforts of the Company’s independent accountants; and
  - (c) the development and implementation of policies and processes regarding corporate governance matters.
2. Provide an open avenue of communication between the independent accountants, the Company’s financial and senior management, and the Board.
3. Prepare any reports required to be prepared by the Committee pursuant to the rules of any stock exchange on which the Company’s shares are listed and pursuant to the rules of any securities commission or other regulatory authority having jurisdiction, whether for inclusion in the Company’s continuous disclosure filings or otherwise.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section VII below of this Charter.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company’s financial statements are complete and accurate or are in accordance with generally accepted accounting principles, international financing reporting standards, accounting standards, or applicable laws and regulations. This is the responsibility of management of the Company and the Company’s independent accountants, as well as any advisors employed by the Committee. Because the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of management and the Company’s independent accountants and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change the responsibilities of management and the independent accountants.

## II. COMPOSITION

The Committee shall be composed of at least three directors, each of whom the Board determines has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, is otherwise “unrelated” and satisfies the definition of “independent” as set forth by National Instrument 52-110 - *Audit Committees* (“NI 52-110”) and any other applicable securities laws, rules or requirements of any stock exchange upon which the Company’s securities are listed as in effect from time to time.

If the Company’s securities are listed on the Toronto Stock Exchange, *each* member of the Audit Committee must serve on the Board and satisfy independence requirements. For the purposes of satisfying the independence requirement, Audit Committee members may not, other than in their capacity as members of the Committee, the Board, or any other committee of the Board (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee<sup>1</sup> from the Company, or of the Company’s subsidiaries; or (ii) be an affiliate of the Company or any of the Company’s subsidiaries.

Each Committee member must have no direct or indirect material relationship with the Company. For the purpose of this Charter, a “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgement.

All members of the Committee must be financially literate, meaning that such member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

If any member of the Committee ceases to be “independent”, as defined by the applicable securities laws and exchange requirements for reasons outside that member’s reasonable control, that person, with prompt notice to the exchange on which the Company’s securities are listed, may remain an audit committee member until the earlier of the next annual meeting of the shareholders or six months from the occurrence of the event that caused the member to no longer be independent.

## III. AUTHORITY

The Committee shall have the authority to (i) retain (at the Company’s expense) its own legal counsel, accountants and other consultants that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities; (ii) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities; and (iii) take whatever actions that it deems appropriate to foster an internal culture that is committed to maintaining quality financial reporting, sound business risk practices and ethical behaviour within the Company. In addition, the Committee shall have the authority to request any officer, director, employee or consultant of the Company, the Company’s outside legal counsel and the independent

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<sup>1</sup> Compensatory fees do not include the receipt of remuneration for acting in his or her capacity as a member of the Board or any Board Committee, or as a part-time chair or vice-chair of the Board or any Board Committee or fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided, however, that such compensation is not contingent upon continued service to the Company.)

accountants to meet with the Committee and any of its advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities. Finally, the Board shall adopt resolutions which provide for appropriate funding, as determined by the Committee, for (i) services provided by the independent accountants in rendering or issuing an audit report, (ii) services provided by any adviser employed by the Committee which it believes, in its sole discretion, are needed to carry out its duties and responsibilities, or (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

The Committee shall be responsible for establishing procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submissions by employees of the Company regarding questionable accounting or auditing matters.

The Committee, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent accountants engaged (including resolution of disagreements between the Company's management and the independent accountants regarding financial reporting) for the purpose of preparing and issuing an audit report or performing other audit, review or attest services for the Company.

The independent accountants shall submit to the Audit Committee annually a formal written statement delineating all relationships between the independent accountants and the Company and its subsidiaries, addressing the non-audit services provided to the Company or its subsidiaries and the matters set forth in or required by the rules and regulations of all relevant regulatory authorities.

The independent accountants shall submit to the Audit Committee annually a formal written statement of the fees billed for each of the following categories of services rendered by the independent accountants: (i) the audit of the Company's annual financial statements for the most recent fiscal year and any reviews of the financial statements; (ii) information technology consulting services for the most recent fiscal year, in the aggregate and by each service (and separately identifying fees for such services relating to financial information systems design and implementation); and (iii) all other services rendered by the independent accountants for the most recent fiscal years, in the aggregate and by each service.

#### **IV. APPOINTING MEMBERS**

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis. Each member of the Committee shall continue to be a member thereof until such member's successor is appointed, unless such member shall resign or be removed by the Board or such member shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy.

#### **V. CHAIRPERSON**

The Board, or in the event of its failure to do so, the members of the Committee, must appoint a Chairperson from the members of the Committee. If the Chairperson of the Committee is

not present at any meeting of the Committee, an acting Chairperson for the meeting shall be chosen by majority vote of the Committee from among the members present. In the case of a deadlock on any matter or vote, the Chairperson shall refer the matter to the Board. All requests for information from the Company or the independent accountants shall be made through the Chairperson.

## **VI. MEETINGS**

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

1. A quorum for meetings shall be two members, present in person or by telephone or other telecommunication device that permit all persons participating in the meeting to speak and hear each other.
2. The Committee shall meet at least quarterly (or more frequently as circumstances dictate).
3. Notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee and the external auditors of the Company at least 48 hours prior to the time of such meeting.

While the Committee is expected to communicate regularly with management, the Committee shall exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities. The Committee shall submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.

## **VII. SPECIFIC DUTIES**

In meeting its responsibilities, the Committee is expected to:

1. Select the independent accountants, considering independence and effectiveness, approve all audit and non-audit services in advance of the provision of such services and the fees and other compensation to be paid to the independent accountants, and oversee the services rendered by the independent accountants (including the resolution of disagreements between management and the independent accountants regarding preparation of financial statements) for the purpose of preparing or issuing an audit report or related work, and the independent accountants shall report directly to the Committee.
2. To pre-approve any non-audit services to be provided to the Company or its subsidiaries by the external auditor and the fees for those services subject to NI 52-110.
3. Review the performance of the independent accountants, including the lead partner of the independent accountants, and, in its sole discretion, approve any proposed discharge of the independent accountants when circumstances warrant, and appoint any new independent accountants.

4. Periodically review and discuss with the independent accountants all significant relationships the independent accountants have with the Company to determine the independence of the independent accountants, including a review of service fees for audit and non-audit services.
5. Review and approve the issuer's hiring policies from time to time regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
6. Inquire of management and the independent accountants and evaluate the effectiveness of the Company's process for assessing significant risks or exposures and the steps management has taken to monitor, control and minimize such risks to the Company. Obtain annually, in writing, the letters of the independent accountants as to the adequacy of such controls.
7. Consider, in consultation with the independent accountants, the audit scope and plan of the independent accountants.
8. Review with the independent accountants the coordination of audit effort to assure completeness of coverage, and the effective use of audit resources.
9. Consider and review with the independent accountants, out of the presence of management:
  - (a) the adequacy of the Company's internal controls and disclosure controls including the adequacy of computerized information systems and security;
  - (b) the truthfulness and accuracy of the Company's financial statements; and
  - (c) any related significant findings and recommendations of the independent accountants together with management's responses thereto.
10. Following completion of the annual audit, review with management and the independent accountants:
  - (a) the Company's annual financial statements and related notes;
  - (b) the independent accountants' audit of the financial statements and the report thereon;
  - (c) any significant changes required in the independent accountants' audit plan; and
  - (d) other matters related to the conduct of the audit which are to be communicated to the committee under generally accepted auditing standards or international financing reporting standards.
11. Following completion of the annual audit, review separately with each of management and the independent accountants any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

12. Establish regular and separate systems of reporting to the Committee by each of management and the independent accountants regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.

13. In consultation with the independent accountants, review any significant disagreement among management and the independent accountants in connection with the preparation of the financial statements, including management's responses.

14. Consider and review with management:

- (a) significant findings during the year and management's responses thereto; and
- (b) any changes required in the planned scope of their audit plan.

15. Review, prior to publication, all filings with regulatory authorities and any other publicly disclosed information containing the Company's financial statements, including Management's Discussion & Analysis, any annual and interim profit or loss press releases, any certification, report, opinion or review rendered by the independent accountants, any press releases announcing earnings (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles or international financing reporting standards) and all financial information and earnings guidance intended to be provided to analysts and the public or to rating agencies, and consider whether the information contained in these documents is consistent with the information contained in the financial statements.

16. Facilitate the preparation and inclusion of any report from the Committee or other disclosures as required by applicable laws and regulations in the Company's continuous disclosure filings of all regulatory authorities having jurisdiction.

17. Review with management the adequacy of the insurance and fidelity bond coverages, reported contingent liabilities, and management's assessment of contingency planning. Review management's plans regarding any changes in accounting practices or policies and the financial impact of such changes, any major areas in management's judgment that have a significant effect upon the financial statements of the Company, and any litigation or claim, including tax assessments, that could have a material effect upon the financial position or operating results of the Company.

18. Review with management and the independent accountants each annual, quarterly and other periodic report prior to its filing with the relevant regulators or prior to the release of earnings.

19. Review policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent accountants.

20. Review, with the Company's counsel, any legal, tax or regulatory matter that may have a material impact on the Company's financial statements, operations, related Company compliance policies, and programs and reports received from regulators.

21. Evaluate and review with management the Company's guidelines and policies governing the process of risk assessment and risk management.
22. Meet with the independent accountants and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.
23. Report Committee actions to the Board with such recommendations as the Committee may deem appropriate.
24. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, as set forth in the Company's Whistleblower Policy.
25. Review, assess and update this Charter on an annual basis and recommend any proposed changes to the Board for approval, in accordance with the requirements of the all applicable laws; and
26. Perform such other functions consistent with this Charter, the Company's Articles and governing law, as the Committee deems necessary or appropriate.
27. Together with the Board, ensure policies and produces are in place and are effective to maintain the integrity of the Company's: (i) disclosure controls and procedures; (ii) internal control over financial reporting; and (iii) management information systems.

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