



## INFORMATION CIRCULAR

(all information as at November 10, 2021 unless otherwise noted)

### PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of **Metallic Minerals Corp.** (the "**Company**" or "**Metallic Minerals**") for use at the Annual General and Special Meeting of the Company's shareholders (the "**Meeting**") to be held on **Tuesday, December 14, 2021** at the time and place and for the purposes set forth in the accompanying Notice of Meeting and is furnished in connection with a solicitation of proxies for use at that Meeting and at any adjournment thereof.

The date of this Information Circular is November 10, 2021. Unless otherwise stated, all amounts herein are in Canadian dollars.

**In light of the ongoing public health concerns related to the COVID-19 pandemic and for the health and safety of our shareholders, employees, advisors and other stakeholders, we strongly encourage Shareholders to vote in advance of the Meeting by proxy instead of attending the Meeting in person. We ask that anyone considering attending the Meeting in person review the most current advice of the British Columbia Ministry of Health and the Public Health Agency of Canada.**

**Public health restrictions and recommendations may require that we restrict the number of people in attendance at the Meeting. Any persons attending the Meeting will be required to comply with health and safety measures that we may put in place. You should not attend the Meeting if you or someone with whom you have been in close contact with are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days prior to the Meeting.**

**Registered shareholders and duly appointed proxy holders who regard their physical attendance at the Meeting as essential are asked to contact the Company at 1-888-570-4420 (toll free) or [info@metallic-minerals.com](mailto:info@metallic-minerals.com) prior to 11:00 a.m. (Vancouver time) on Friday, December 10, 2021 so that appropriate measures can be put in place to facilitate physical distancing and other precautions or alternative participation arrangements made to ensure the health and safety of all attendees. The Company will follow the guidance and orders of public health authorities in that regard, including those restricting the size of public gatherings. Each such shareholder or duly appointed proxy holder may be asked to complete a declaration regarding COVID-19 related health matters prior to being admitted to the Meeting.**

### GENERAL PROXY INFORMATION

#### Management Solicitation

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company.

The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

## Appointment of Proxyholders

No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

## Voting by Proxyholder

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

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

A shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act for or on behalf of that shareholder at the meeting, other than the designated persons named in the enclosed form of proxy. To exercise the right, the shareholder may do so by striking out the printed names and inserting the name of such other person and, if desired, an alternate to such person, in the blank space provided in the form of proxy. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instruction to the nominee on how the shareholder's shares should be voted. The nominee should bring personal identification to the meeting.

## Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Odyssey Trust Company (the "**Transfer Agent**") by mail or hand delivery to Suite 350, 409 Granville Street, Vancouver, BC, V6C 1T2 (Attention: Proxy Department);
- (b) by touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) by using the internet through the Company's transfer agent's website portal. Registered Shareholders must go to <http://odysseytrust.com/Transfer-Agent/Login>, click 'vote' and follow the instructions that appear. The proxy form will detail the shareholder's account number and control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

## Beneficial Shareholders

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.**

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Common Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Common Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Common Shares voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his or her Common Shares.

### **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), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

### **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing:

- (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and
- (b) delivered either:
  - (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
  - (ii) to the chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
  - (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either attendance at the Meeting and participation in a poll (ballot) by a shareholder, or by the submission of a subsequent proxy in accordance with the foregoing procedures.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

### **Voting of Proxies and Exercise of Discretion**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated

in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

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

The Company is authorized to issue unlimited Common Shares without par value. As at November 8, 2021, the Company had **136,430,793** issued and outstanding fully paid and non-assessable Common Shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities.

Only registered shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights of the Company other than 2176423 Ontario Ltd. (Eric Sprott), which holds 21,539,000 common shares (15.79%).

#### **FINANCIAL STATEMENTS**

The consolidated audited financial statements of the Company for the Company's financial year ending July 31, 2021, the report of the auditor thereon and the management's discussion and analysis thereon will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) on or before November 29, 2021 and will be tabled at the Meeting.

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

##### **Appointment of Auditor**

Shareholders will be asked to approve the appointment of WDM Chartered Professional Accountants of Vancouver, British Columbia, Canada as auditor of the Company to hold office until the next annual general meeting of shareholders at a remuneration to be fixed by the Board of Directors.

WDM Chartered Professional Accountants were appointed as auditors of the Company in August, 2021 in the place of Baker Tilly WM LLP. A change of auditor reporting package can be found at Appendix "A"

**Management recommends that shareholders vote for the appointment of WDM Chartered Professional Accountants as the Company's auditor at remuneration to be fixed by the Board.**

### **Election of Directors**

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA").

The following table and notes thereto set out the name of each of management's nominees for election as a director, the province and country in which he is ordinarily resident, all offices of the Company now held by each, the respective principal occupation, period of time each has been a director of the Company, and the number of shares of the Company beneficially owned by each of them, directly or indirectly, or over which control or direction, is exercised, as at the date hereof.

<b>Name, Province and Country of Residence and Position Held with the Company</b>	<b>Director Since</b>	<b>Principal Occupation during the past five years</b>	<b>Number of Common Shares held</b>
<b>Gregory Johnson</b> <sup>(1)</sup> British Columbia, Canada Chairman, Chief Executive Officer and Director	September 19, 2016	President & CEO of the Company since September 19, 2016.	6,923,868
<b>Gregor Hamilton</b> <sup>(1)</sup> British Columbia, Canada Director	January 10, 2017	Mr. Hamilton has more than 25 years of mining sector experience both as an investment banker and a geologist	1,317,000
<b>Peter Harris</b> <sup>(1)</sup> British Columbia, Canada Director	June 23, 2020	Mr. Harris is a mining engineer with over 40 years of industry experience; former COO of NovaGold Resources and former President and CEO of Placer Dome South Africa.	26,000
<b>Doug Warkentin</b> British Columbia, Canada Director	June 23, 2020	Mr. Warkentin is Senior Metallurgist and Mining Process Engineer for Kemetco Research Inc. with over 30 years industry experience.	Nil

1. Member of the Audit Committee.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

### **Occupation, Business or Employment of Director Nominees**

*Gregory Johnson:* Mr. Johnson has over 30 years of experience in the mining industry in exploration, development and financing of large-scale projects to create value for shareholders. Prior to joining the Company, Mr. Johnson held the positions of President and CEO at Wellgreen Platinum (now Nickel Creek Platinum) and South American Silver, and was a co-founder and executive at NovaGold Resources. Mr. Johnson began his career with Placer Dome (now Barrick Gold), where he held various senior roles in domestic and international exploration. Mr. Johnson has developed broad experience in the capital markets

and has been involved in raising over \$650 million in project financing. For his role in the discovery and advancement of the 40- million-ounce Donlin Creek gold deposit in Alaska, Mr. Johnson was a co-recipient of the PDAC's Thayer Lindsay International Discovery Award. In addition, Mr. Johnson has been recognized for his work in sustainable development and community engagement and was awarded the Robert E. Leckie Award by the Yukon Government for excellence in environmental stewardship.

*Gregor Hamilton:* Mr. Hamilton has more than 25 years of experience in the mining sector as a geologist, investment banker and entrepreneur. Mr. Hamilton began his career in mineral exploration in South America and later worked for 11 years in investment banking in London and Sydney, specializing in structured finance and M&A. Since 2010, Mr. Hamilton has been involved in the acquisition and development of mineral properties within both public and private resource companies in North and South America. Mr. Hamilton has a BSc in Geology from the University of Edinburgh and an MSc in Mineral Project Appraisal from the Royal School of Mines, Imperial College, London. He also serves on the board of Metallic Minerals Corp.

*Peter Harris:* Mr. Peter Harris is a mining engineer with over 40 years of global mining industry experience in project evaluation, development, mine construction and operations. Mr. Harris' career is highlighted by prominent roles with Placer Dome (now Barrick Gold) as Senior Vice President of Project Development and President & CEO of Placer Dome South Africa as well as being part of the early formation of NovaGold Resources as Chief Operating Officer. Mr. Harris has been involved in various stages of evaluation, development, construction and operation of over 20 mineral projects in his career in North and South America, Africa, Australia and Papua New Guinea with experience ranging from high-grade underground operations to large scale open pit deposits of base & precious metals. A mine engineering graduate of the University of Newcastle-upon-Tyne with executive and board of director experience in mining and related industries, Mr. Harris also led the design and introduction of World Bank recognized employee programs for affected mine-workers related to major mine re-structuring and AIDS programs.

*Doug Warkentin:* Mr. Warkentin (B.Sc., P. Eng) is a metallurgist and process engineer with over 30 years of applied mine processing expertise. Mr. Warkentin is an industry innovator and entrepreneur and author of numerous technical papers and co-inventor of multiple patented process technologies. He has worked both in plant operations and contract research and has been a principal in companies providing process development services and environmental technologies to the mining industry. Areas of expertise include base and precious metal flotation, precious metal hydrometallurgy, resource recovery and treatment of mine wastes. Mr. Warkentin graduated from UBC with a degree in Mining and Mineral Process Engineering and has been a member of the Association of Professional Engineers and Geoscientists of BC since 1992. He is currently Senior Metallurgist for Kemetco Research Inc. in Vancouver, BC.

### **Orders, Bankruptcies and other Penalties or Sanctions**

**Orders:** No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

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

For the purposes of the above, "order" means a cease trade order, an order similar to a cease trade order; or an order that denied the relevant company access to any exemption and securities legislation, that was in effect for a period of more than 30 consecutive days.

**Bankruptcies:** No proposed director of the Company is, or was, within the 10 years before the date of this Information Circular, a director or an executive officer of any company that, while the 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. No proposed director of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**Penalties or Sanctions:** No proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with respect to same; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to reasonable Shareholders in deciding whether to vote for a proposed director.

**In the absence of instructions to the contrary, the enclosed form of proxy will be voted FOR the nominees listed in the form of proxy, all of whom are presently members of the Board.**

### **Ratification and Approval of the Long-Term Incentive Plan**

The Company has in place a Long-Term Performance Plan (the "LTIP") which provides for the issuance of Restricted Share Units, Performance Share Units, Deferred Share Units, Stock Options and Stock Appreciation Rights (an "Award") to Directors, key employees and consultants of the Company.

The LTIP was approved by shareholders of the Company at our last Annual General Meeting on March 18, 2021 and currently permits the issuance of a rolling 10% of the Company's common share capital as Awards under the LTIP Plan.

A summary of the types of Awards issuable under the LTIP is attached hereto as Appendix A.

The policies of the TSX-V require long term incentive plans which reserve for issuance up to 10% (instead of a fixed number) of a listed company's shares be approved annually by its Shareholders. That approval is being sought at the Meeting by way of an ordinary resolution.

Shareholders will be asked at the Meeting to consider, and if thought fit, to approve an ordinary resolution approving and ratifying the LTIP as follows:

"BE IT RESOLVED THAT:

1. The Company's Long Term Incentive Plan ("LTIP") be and is hereby approved, confirmed and ratified, subject to the acceptance of the LTIP by the TSX Venture Exchange (the "Exchange"); and
2. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the implementation of the LTIP."

The LTIP requires approval by a majority of the votes cast by Shareholders present in person or by proxy at the Meeting.

**Management recommends that shareholders vote FOR the resolution approving, confirming and ratifying the amendments to the LTIP. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution approving, affirming and ratifying the LTIP.**

## STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this Information Circular:

"**CEO**" of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any); and

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for the financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

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

The Company had the following NEOs for the financial year ended July 31, 2021:

- Gregory Johnson, Chairman, CEO & Director;
- Rebecca Moriarty, CFO; and
- Tim Thiessen, former CFO.

The directors of the Company who were not NEOs during the financial year ended July 31, 2021 were Gregor Hamilton, Peter Harris and Doug Warkentin.

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the two most recently completed financial years ended July 31, 2021 and July 31, 2020.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
<b>Gregory Johnson</b> Chairman, CEO & Director	2021	180,000 <sup>(2)</sup>	Nil	Nil	Nil	15,000	195,000
	2020	180,000 <sup>(2)</sup>	Nil	Nil	Nil	118,000 <sup>(3)</sup>	298,000
<b>Rebecca Moriarty</b> <sup>(4)</sup> CFO	2021	35,847 <sup>(5)</sup>	Nil	Nil	Nil	Nil	35,847
	2020	9,392 <sup>(5)</sup>	Nil	Nil	Nil	Nil	9,392
<b>Gregor Hamilton</b> Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	50,000 <sup>(6)</sup>	Nil	Nil	Nil	Nil	50,000
<b>Peter Harris</b> <sup>(7)</sup> Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Doug Warkentin</b> <sup>(8)</sup> Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>William Harris</b> <sup>(9)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Tim Thiessen</b> <sup>(10)</sup> <i>Former CFO</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	36,500 <sup>(11)</sup>	Nil	Nil	Nil	Nil	36,500
<b>Stephen Pearce</b> <sup>(12)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

- (1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (2) Mr. Johnson is paid \$180,000 per year under his employment contract (see "Employment, Management and Consulting Agreements" below).
- (3) Mr. Johnson was reimbursed \$60,000 for unused vacation days and \$58,000 for unpaid salary for the period 2017 through 2020 as per his employment contact.
- (4) Ms. Moriarty was appointed as CFO of the Company on April 1, 2020.
- (5) Malaspina Consultants Inc. is paid for CFO services provided by Ms. Moriarty.
- (6) Mr. Hamilton was paid \$50,000 for geological and corporate consulting during the year ended July 31, 2020. He was not paid for his services as a director of the Company.
- (7) Mr. Peter Harris was appointed as a director of the Company on June 23, 2020. He was not paid for his services as a director of the Company.
- (8) Mr. Warkentin was appointed as a director of the Company on June 23, 2020. He was not paid for his services as a director of the Company.
- (9) Mr. William Harris resigned as a director of the Company on August 13, 2020.
- (10) Mr. Thiessen was appointed as CFO of the Company on March 25, 2019 and resigned on March 31, 2020.
- (11) Mr. Thiessen was paid \$36,500 for his services as CFO of the Company during the year ended July 31, 2020.
- (12) Mr. Pearce did not stand for re-appointment as a director of the Company at the Company's last AGM held on February 6, 2020.

## Employment, Consulting and Management Agreements

The Company entered into an employment agreement dated September 19, 2016 with Mr. Johnson pursuant to which Mr. Johnson is paid \$180,000 per year to act as the Company's CEO (the "CEO Agreement"). Mr. Johnson is not paid for being a director of the Company. Mr. Johnson may terminate the CEO Agreement on three months written notice to the Company. Upon termination of the CEO Agreement by the Company without cause, Mr. Johnson would be entitled to receive twenty-four months base salary plus twice the average annual bonus in the 2 years immediately preceding termination, plus an additional month of salary for each additional year of service beyond 3 years. All stock options granted pursuant to the LTIP would be exercisable for 12 months following termination. In the event of a change of control or in the event of termination (as such terms are defined in the CEO Agreement), Mr. Johnson may elect to terminate the CEO Agreement whereupon Mr. Johnson would receive those same entitlements as if the Company had terminated Mr. Johnson without cause.

## External Management Companies

Ms. Moriarty provides CFO services to the Company through a contract with Malaspina Consultants Inc. Ms. Moriarty is not paid directly by the Company rather Malaspina Consultants Inc. invoices the Company for those services Ms. Moriarty provides.

## Stock Options and Other Compensation Securities

The following table sets out all stock options and other compensation securities granted or issued to each director and NEO by the Company during the year ended July 31, 2021:

Compensation Securities							
Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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
<b>Gregory Johnson</b> Chairman, CEO & Director	Stock Options	250,000 stock options <sup>(1)</sup>  250,000 underlying common shares  2.4% of stock options; 0.19% of common shares	01/12/21	0.60	0.61	0.44	01/12/26
<b>Rebecca Moriarty</b> CFO	Stock Options	50,000 stock options <sup>(2)</sup>  50,000 underlying common shares  0.5% of stock options; 0.04% of common shares	01/12/21	0.60	0.61	0.44	01/12/26
<b>Gregor Hamilton</b> Director	Stock Options	200,000 stock options <sup>(3)</sup>  200,000 underlying common shares  1.9% of stock options; 0.15% of common shares	01/12/21	0.60	0.61	0.44	01/12/26
<b>Peter Harris</b> Director	Stock Options	100,000 stock options <sup>(4)</sup>  100,000 underlying common shares  1.0% of stock options; 0.08% of common shares	01/12/21	0.60	0.61	0.44	01/12/26

Compensation Securities							
Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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
<b>Doug Warkentin</b> Director	Stock Options	100,000 stock options <sup>(5)</sup>  100,000 underlying common shares  1.0% of stock options; 0.08% of common shares	01/12/21	0.60	0.61	0.44	01/12/26
<b>Tim Thiessen</b> <i>Former CFO</i>	Nil	n/a	n/a	n/a	n/a	n/a	n/a
<b>Stephen Pearce</b> <i>Former Director</i>	Nil	n/a	n/a	n/a	n/a	n/a	n/a

- (1) Mr. Johnson was issued 250,000 stock options on January 12, 2021, exercisable into 250,000 common shares of the Company. The stock options vest every six months, commencing July 12, 2021. As at the year ended July 31, 2021, Mr. Johnson had a total of 2,150,000 stock options, exercisable into 2,150,000 common shares of the Company.
- (2) Ms. Moriarty was issued 50,000 stock options on January 12, 2021, exercisable into 50,000 common shares of the Company. The stock options vest every six months, commencing July 12, 2021. As at the year ended July 31, 2021, Ms. Moriarty had a total of 150,000 stock options, exercisable into 150,000 common shares of the Company.
- (3) Mr. Hamilton was issued 200,000 stock options on January 12, 2021, exercisable into 200,000 common shares of the Company. The stock options vest every six months, commencing July 12, 2021. As at the year ended July 31, 2021, Mr. Hamilton had a total of 1,250,000 stock options, exercisable into 1,250,000 common shares of the Company.
- (4) Mr. Harris was issued 100,000 stock options on January 12, 2021, exercisable into 100,000 common shares of the Company. The stock options vest every six months, commencing July 12, 2021. As at the year ended July 31, 2021, Mr. Harris had a total of 250,000 stock options, exercisable into 250,000 common shares of the Company.
- (5) Mr. Warkentin was issued 100,000 stock options on January 12, 2021, exercisable into 100,000 common shares of the Company. The stock options vest every six months, commencing July 12, 2021. As at the year ended July 31, 2021, Mr. Warkentin had a total of 250,000 stock options, exercisable into 250,000 common shares of the Company.

### Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by NEOs and directors during the year ended July 31, 2021.

### Stock Option Plans and Other Incentive Plans

The Company has a long-term incentive plan (the **LTIP Plan**) in place. For further particulars on the LTIP Plan, please see "Ratification and Approval of the Long-Term Incentive Plan".

### Oversight and Description of Director and NEO Compensation

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the full Board of Directors.

The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that

are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

The overall objective of the Company's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard.

The Company currently has a short-term compensation component in place, which includes the accrual and/or payment of management fees to certain NEOs, and a long-term compensation component in place, which may include the grant of stock options and stock appreciation rights, restricted share units, performance share units or deferred share units under the LTIP Plan. To date, the Company has only granted stock options but intends to further develop these compensation components. The Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the position of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium-term compensation component.

The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the shareholders. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, is based upon overall corporate performance. The Company relies on Board discussion without a formal agenda for objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

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

The following table sets out, as at July 31, 2021, information regarding the outstanding stock options, warrants and rights granted by the Company under its equity compensation plan.

Plan Category	Number of Common Shares 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 security holders	12,868,000	\$0.38	98,498
Equity compensation plans not approved by securityholders <sup>(2)</sup>	N/A	N/A	N/A
<b>Total</b>	<b>12,868,000</b>	<b>\$0.38</b>	<b>98,498</b>

(1) The Company had a total of 129,664,975 common shares issued and outstanding as at July 31, 2021. Under the Company's current LTIP, a rolling 10% of the issued and outstanding common shares are reserved for issuance.

#### CORPORATE GOVERNANCE

Corporate Governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") of the Canadian Securities Administrators requires the Company to disclose in this Information Circular a summary of the corporate governance policies that the Company has in place.

**Board of Directors:** Gregor Hamilton, Peter Harris and Doug Warkentin are independent within the meaning of NI 58-101. Gregory Johnson is not independent as he is an executive officer of the Company.

### Directorships

The following sets out the directors of the Company that currently hold directorships in other reporting issuers:

Name of Director	Names of other Reporting Issuers
Gregory Johnson	Group Ten Metals Inc.
Gregor Hamilton	Group Ten Metals Inc.

**Orientation and Continuing Education:** While the Company does not have formal orientation or training programs for new board members, new board members are provided with full access to the Company's records, including all publicly filed documents of the Company, technical reports, internal financial information, management & technical experts and consultants and a summary of significant securities disclosure obligations. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars.

**Ethical Business Conduct:** Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and its business operations.

**Nomination of Directors:** The Board has the responsibility for identifying potential Board candidates. The Board assesses potential candidates to fill perceived needs on the Board for required skill, expertise, independence and other factors.

**Compensation:** Compensation is determined by the Board and is based on the compensation paid for directors and senior officers of companies of a similar size and stage of development. The appropriate compensation reflects the need to provide incentive and compensation for the time and effort expended by the directors and its management while taking into account the financial and other resources of the Company.

**Assessments:** The Board conducts informal annual assessments of the Board's effectiveness, its individual directors and its committees.

### AUDIT COMMITTEE

Under National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), venture issuers are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor.

**Audit Committee Charter:** Pursuant to NI 52-110, the Company is required to include a summary of the audit committee responsibilities, composition and authority. The Company's Audit Committee is governed by an audit committee charter, a copy of which is attached hereto as Appendix C.

**Composition of the Audit Committee:** As at the Record Date, the Company's audit committee is comprised of Gregory Johnson, Gregor Hamilton and Peter Harris. All of the audit committee members are "financially literate". Messrs. Hamilton and Harris are independent as that term is defined in NI 52-110.

**Relevant Education and Experience:** See disclosure under heading "Election of Directors". Each member of the Audit Committee has 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; 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 an understanding of internal controls and procedures for financial reporting.

**Audit Committee Oversight:** At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

**Reliance on Certain Exemptions:** At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

**Pre-approval Policies and Procedures:** The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company's Audit Committee Charter (see under the heading "External Auditor").

**External Auditor Service Fees:** In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees charged to the Company by its auditor in the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
July 31, 2021	\$25,930	-	-	-
July 31, 2020	\$25,912	-	-	-

The Company is a venture issuer and as such, is relying on section 6.1 of NI 52-110 which provides that a venture issuer is not required to comply with Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

#### INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND SENIOR OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company or its subsidiary. None of the directors' or executive officers' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiary, if any.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each

proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, executive officers or nominees, 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 other than the election of directors and the ratification and approval of the LTIP Plan, as such persons are eligible to participate in the LTIP Plan.

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

No informed person of the Company, proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, if any.

"**Informed person**" means

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution of it; and
- (d) the Company has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

### **ADDITIONAL INFORMATION**

Financial information is provided in the Company's comparative financial statements and Management Discussion & Analysis for the years ended July 31, 2021 and 2020 which are available, along with additional information relating to the Company, on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting the Company at (604) 629-7800 or by email at [info@metallic-minerals.com](mailto:info@metallic-minerals.com).

### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, British Columbia this 10<sup>th</sup> day of November, 2021.

**By Order of the Board of Directors of  
METALLIC MINERALS CORP.**

***Gregory Johnson***

Chairman and Chief Executive Officer

APPENDIX A  
CHANGE OF AUDITOR PACKAGE



**NOTICE OF CHANGE OF AUDITOR**  
(National Instrument 51-102)

To: Baker Tilly WM LLP  
And to: WDM Chartered Professional Accountants

**Metallic Minerals Corp.** (the "Company") hereby provides notice that Baker Tilly WM LLP, at the request of the Company, resigned as the Company's auditor effective July 31, 2021 (the "Resignation"). Management of the Company will fill the vacancy by appointing WDM Chartered Professional Accountants, as the Company's auditor in the place and stead of Baker Tilly WM LLP until the close of the next annual general meeting of shareholders of the Company.

In accordance with National Instrument 51-102 ("NI 51-102") we confirm that:

- (a) Baker Tilly WM LLP was asked to resign as auditor of the Company to facilitate the appointment of WDM Chartered Professional Accountants, of Suite 420, 1501 West Broadway, Vancouver, British Columbia, V6J 1W6;
- (b) Baker Tilly WM LLP, has not expressed any reservation in its reports for the two most recently completed fiscal years of the Company, nor for the period from the most recently completed period for which Baker Tilly WM LLP, issued an audit report in respect of the Company and the date of this Notice;
- (c) the Resignation of Baker Tilly WM LLP and appointment of WDM Chartered Professional Accountants, as auditor of the Company were considered and approved by both the Audit Committee and the Board of Directors of the Company;
- (d) the audit reports of Baker Tilly WM LLP on the Company' financial statements have not expressed a modified opinion; and
- (e) in the opinion of the Board of Directors of the Company, no "reportable event" as defined in NI 51-102 has occurred in connection with the audits of the two most recently completed fiscal years of the Company, nor any period from the most recently completed period for which Baker Tilly WM LLP, issued an audit report in respect of the Company and the date of this Notice.

Dated: July 31, 2021

**Metallic Minerals Corp.**

A handwritten signature in blue ink, appearing to read 'Greg Johnson', is written over a horizontal line.

Greg Johnson  
President and CEO



**Baker Tilly WM LLP**  
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**F:** +1 604.688.3497

vancouver@bakertilly.ca  
[www.bakertilly.ca](http://www.bakertilly.ca)

August 10, 2021

British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission

Dear Sirs:

**Re: Metallic Minerals Corp. (the “Company”)**

As required by National Instrument 51-102, Continuous Disclosure Obligations, we wish to advise that we have reviewed the “Notice of Change of Auditors” dated July 31, 2021, and confirm that, based on our knowledge of the information stated therein, we agree with the statements in the Notice.

In this regard, we confirm that there are no reportable events between the Company and our office as the former auditor of the Company, based on the information that we have on the Company at this time.

Yours very truly,

*Baker Tilly WM LLP*

Baker Tilly WM LLP  
Chartered Professional Accountants

ASSURANCE • TAX • ADVISORY

*Baker Tilly WM LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

August 5, 2021

**British Columbia Securities  
Commission**

P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, B.C.  
V7Y 1L2

**Alberta Securities  
Commission**

600 – 5<sup>th</sup> Avenue SW  
Calgary, AB  
T2P 0R4

SERVICE

INTEGRITY

TRUST

**TSX Venture Exchange**

P.O. Box 11633  
2700 - 650 West Georgia Street  
Vancouver, B.C.  
V6B 4N9

**Re: Metallic Minerals Corp. ("the Company")  
Notice Pursuant to NI 51-102 – Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor dated July 31, 2021, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours truly,

*WDM*

*Chartered Professional Accountants*

**WDM CHARTERED PROFESSIONAL ACCOUNTANTS**

cc. Metallic Minerals Corp..

Q:\WINWORD\MIKEKAO\MKLETRS\Metallic Minerals Corp\Appointment - Auditors\Metallic Minerals Corp - Ltr to Regulators re appointment as auditors (Aug 2021).docx



SUITE 420

1501 WEST BROADWAY

VANCOUVER, BRITISH COLUMBIA

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WWW.WDMCA.COM

**WDM**

## Appendix B

### LTIP

The purpose of the LTIP is to align the interests of those directors, employees and consultants designated by the Board as being eligible to participate in the LTIP with those of the Company and its shareholders and to assist in attracting, retaining and motivating key employees by making a portion of the incentive compensation of participating employees directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company.

The LTIP is designed to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of directors, key employees and consultants of the Company and its subsidiaries; (b) encouraging such directors, key employees and consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors, key employees and consultants with the interests of the Company.

As required by the rules and policies of the TSXV or such other exchange upon which the Common Shares may become listed for trading (the "**Exchange**"):

- (i) In respect of Stock Options:
  - a. the total number of Common Shares issuable to any participant under the LTIP Plan, at any time, together with any other security-based compensation arrangements of the Company, shall not exceed 5% of the issued and outstanding Common Shares;
  - b. Options issuable to any Consultant or persons performing Investor Relations Activities under the LTIP Plan shall not exceed 2% of the issued and outstanding shares in any 12-month period; and
  - c. The grant value of Common Shares issued or reserved for issuance under the LTIP Plan, together with any Common Shares issued or reserved for issuance under other security-based compensation arrangements of the Company, to any non-executive Director (excluding the Chairman of the Board, if any) cannot exceed \$100,000 annually.
- (ii) In respect of Deferred Share Units, Performance Share Units, Restricted Share Units and SA Rights:
  - a. the total number of Common Shares issuable to any Participant under the LTIP Plan shall not exceed 1% of the issued and outstanding Common Shares at the time of the award;
  - b. the total number of Common Shares issuable to any Participant under the LTIP Plan shall not exceed 2% of the issued and outstanding shares in any 12-month period; and
  - c. the maximum aggregate number of Common Shares issuable under the LTIP Plan in respect of Deferred Share Units, Performance Share Units, Restricted Share Units and Share Appreciation Rights shall not collectively exceed 9,000,000.
- (iii) Persons performing Investor Relations Activities may only receive Stock Options as Awards under the LTIP Plan.
- (iv) The total number of Common Shares issuable to non-executive directors under the LTIP Plan (excluding the Chairman of the Board, if any) shall not exceed 3% of the issued and outstanding Common Shares.
- (v) The TSX hold period will be applied to Common Shares issuable under the LTIP Plan and any certificates representing those Common Shares will include a legend stipulating that the Common Shares issued are subject to a four-month TSX hold period commencing from the grant date.

Except as otherwise provided in an applicable award agreement or as determined by the Board, neither awards nor any rights under any such awards shall be assignable or transferable other than pursuant to a will or by the laws of descent and distribution.

### **Type of Awards**

**Restricted Share Units.** The LTIP Plan provides that the Board may, from time to time, in its sole discretion, grant awards of RSUs to directors, key employees and consultants. Each RSU shall represent one Common Share on vesting. RSUs shall be subject to such restrictions as the Board may establish in the applicable award agreement. The typical restriction for RSUs is time based (i.e., vesting after a fixed period of time). All RSUs will vest and become payable by the issuance of Common Shares at the end of the applicable restriction period if all applicable restrictions have lapsed.

Restrictions on any RSUs shall lapse immediately and become fully vested to the participant upon a change of control. Upon the death of a participant, subject to the applicable award agreement, any RSUs that have not vested will be immediately forfeited and cancelled without payment, provided that any RSUs granted to such participant that had vested prior to the participant's death will accrue to the participant's estate in accordance with the LTIP Plan. If a participant's employment is terminated for cause, any RSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant's employment is terminated without cause, is voluntarily terminated by the participant or termination is due to the participant's retirement or disability, any RSUs granted to the participant will, subject to the applicable award agreement, immediately terminate without payment and be cancelled as of the termination date, provided, however, that any RSUs granted to such participant that had vested prior to the participant's termination without cause, voluntary termination, retirement or disability will accrue to the participant in accordance with the LTIP Plan. In the case of directors, if a participant ceases to be a director for any reason, all RSUs granted to such participant will immediately terminate without payment and be cancelled, provided, however, that any RSUs granted to such participant that had vested prior to the participant ceasing to be a director will accrue to the participant in accordance with the LTIP Plan. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, all RSUs granted to such participant will immediately terminate without payment and be cancelled, provided, however, that any RSUs granted to such participant that had vested prior to the termination of the participant's service to the Company will accrue to the participant in accordance with the LTIP Plan.

**Performance Share Units.** The LTIP Plan provides that the Board may, from time to time, in its sole discretion, grant awards of PSUs to key employees and consultants. Each PSU shall, contingent upon the attainment of the performance criteria within the applicable performance cycle, represent one Common Share, unless otherwise specified in the applicable award agreement. The performance criteria will be established by the Board which, without limitation, may include criteria based on the participant's individual performance and/or financial performance of the Company and its subsidiaries. Typical performance criteria could include gross revenues, EBITDA, share price performance or the attainment of a specified amount of financing. The applicable award agreement may provide the Board with the right to revise the performance criteria during a performance cycle or after it has ended, if unforeseen events occur, including, without limitation, changes in capitalization, equity restructuring, acquisitions or divestitures, if such events have a substantial effect on the financial results of the Company and make the application of the performance criteria unfair absent a revision.

All PSUs will vest and become payable to the extent that the performance criteria are satisfied in the sole determination of the Board. PSUs granted to a participant shall become fully vested and payable to such participant within 95 days after the last day of the performance cycle or upon a change of control. Upon the death of a participant, subject to the applicable award agreement, all PSUs granted to the participant which, prior to the participant's death, had not vested, will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed. If a participant's employment is terminated for cause, any PSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant's employment is terminated without cause, by voluntary termination, or if the participant's

employment terminates due to retirement or disability, all PSUs granted to the participant which, prior to such termination without cause, voluntary termination, retirement or disability, had not vested, will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, all PSUs granted to such participant will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

**Deferred Share Units.** The LTIP Plan provides that the Board may, from time to time, in its sole discretion, grant awards of DSUs to directors in lieu of director fees (but not to key employees or consultants). Directors become participants effective as of the date each is first appointed or elected as a director and cease to be participants at the time they cease to be a director for any reason. The number of DSUs to be granted to a participant shall be calculated by dividing the amount of fees selected by the director by the market price on the grant date. The market price is defined in the LTIP Plan as the five-day weighted average closing price of the Company's Common Shares on the immediately preceding five trading days prior to the grant date. Each participant shall be entitled to receive, subsequent to the effective date that the participant ceases to be a director for any reason or any earlier vesting period(s) set forth in the applicable award agreement, either (a) that number of Common Shares equal to the number of DSUs granted to such participant, or (b) a cash payment in an amount equal to the market price of the DSUs granted to such participant on the trading day following the day that the participant ceases to be a director, net of applicable withholdings, and subject to adjustments if the value of a DSU is determined during applicable black-out periods. Upon the death of a participant, such participant's estate shall be entitled to receive, within 120 days, a cash payment or Common Shares that would otherwise have been payable upon such participant ceasing to be a director.

**Stock Options.** The LTIP Plan provides that the Board may, from time to time, in its discretion, grant awards of Stock Options to directors, key employees and consultants. The number of Stock Options to be granted, the exercise price and the time(s) at which an option may be exercised shall be determined by the Board in its sole discretion, provided that the exercise price of the Stock Options shall not be lower than the exercise price permitted by the Exchange, and further provided that the term of any Stock Option shall not exceed ten years. All Stock Options granted under the LTIP Plan to persons providing investor relations activities will vest and become exercisable over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such options vesting and becoming exercisable in any three (3) month period.

In the event of a change of control, each outstanding Stock Option issued to directors and key employees shall automatically become fully and immediately vested and exercisable, subject to the policies of the Exchange. Where, in the case of directors and key employees, a participant shall die while an optionee, any Stock Option held by such participant shall be exercisable by the person(s) to whom the rights of the participant under the Stock Option shall pass by will or the laws of descent and distribution for a period of 120 days or prior to the expiration of the Stock Option period in respect of the Stock Option, whichever is sooner, and then only to the extent that such participant was entitled to exercise the Stock Option at the date of death of such participant. Where the employment of a key employee is terminated for cause, no Stock Option held shall be exercisable from the termination date. In the event that the employment of a key employee is terminated without cause, by voluntary termination or due to retirement or, in the case of directors, the participant ceases to be a director for any reason, subject to the applicable award agreement, any Stock Option held shall remain exercisable in full for a period of 60 days after the termination or cessation date (subject to any longer period set out an applicable award agreement, which longer period may not exceed twelve (12) months from such termination or cessation date) or prior to the expiration of the Stock Option period in respect of the Stock Option, whichever is sooner, and then only to the extent that such participant was entitled to exercise the Stock Option at such time. If a director or key employee becomes afflicted by a disability, all Stock Option granted to the participant will continue to vest in accordance with the terms of such Stock Option, provided that if, in the case of key employees, a participant's employment is terminated due to disability, or in the case of directors, the participant ceases to be a director as a

result of disability, subject to the applicable award agreement, any Stock Option held by such participant shall remain exercisable for a period of 120 days after the termination or cessation date or prior to the expiration of the Stock Option period in respect of the Stock Option, whichever is sooner, and then only to the extent that such participant was entitled to exercise the Stock Option at such time. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, no Stock Option held by such participant shall be exercisable from the date of termination of service.

*Stock Appreciation Rights.* The LTIP Plan provides that the Board may, from time to time, in its discretion, grant awards of SARs to directors, key employees and consultants, either on a stand-alone basis or in relation to any options. SARs are awards that entitle the participant to receive an amount (the "**SAR Amount**") equal to the excess, if any, of the current market price on the exercise date over the exercise price of the SAR (the "**SAR Grant Price**"), multiplied by the number of Common Shares in respect of which the SAR is being exercised. The current market price is defined in the LTIP Plan as the last closing price of the Company's Common Shares on the immediately preceding trading day prior to the relevant exercise date. The SAR Amount is payable in Common Shares in an amount equal to the SAR Amount divided by the current market price, provided that the applicable award agreement may provide that the Company may alternatively satisfy the SAR Amount by paying to the participant cash in an amount equal to the SAR Amount. The number of SARs to be granted, the SAR Grant Price and the time(s) at which a SAR may be exercised shall be determined by the Board and set out in an award agreement, provided that the SAR Grant Price shall not be lower than the exercise price permitted by the Exchange and further provided that the term of any SAR shall not exceed ten years. The terms of, and SAR Grant Price of, any SAR granted in relation to an option shall be the same as the terms and exercise price of the option it is granted in relation to.

In the event of a change of control, each outstanding SAR issued to directors and key employees shall automatically become fully and immediately vested and exercisable, subject to the policies of the Exchange. Where, in the case of directors and key employees, a participant shall die while holding a SAR, any SAR held by such participant shall be exercisable by the person(s) to whom the rights of the participant under the SAR shall pass by will or the laws of descent and distribution for a period of 120 days or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such participant was entitled to exercise the SAR at the date of death of such participant. Where the employment of a key employee is terminated for cause, no SAR held shall be exercisable from the termination date. In the event that the employment of a key employee is terminated without cause, by voluntary termination or due to retirement or, in the case of directors, the participant ceases to be a director for any reason, subject to the applicable award agreement, any SAR held shall remain exercisable in full for a period of 60 days after the termination or cessation date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such participant was entitled to exercise the SAR at such time. If a director or key employee becomes afflicted by a disability, all SARs granted to the participant will continue to vest in accordance with the terms of such SARs, provided that if, in the case of key employees, a participant's employment is terminated due to disability, or in the case of directors, the participant ceases to be a director as a result of disability, subject to the applicable award agreement, any SAR held by such participant shall remain exercisable for a period of 120 days after the termination or cessation date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such participant was entitled to exercise the SAR at such time. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, no SAR held by such participant shall be exercisable from the date of termination of service.

## Appendix C

### Audit Committee Charter

*Mandate:* The function of the audit committee (the "**Committee**") is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's duties and responsibilities are to serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements, review and appraise the performance of the Company's external auditor; and provide an open avenue of communication among the Company's auditor, financial and senior management and the Board.

*Composition:* The Committee shall be comprised of a minimum three directors as determined by the Board. If the Company ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" then all members of the Committee shall also have accounting or related financial management expertise. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

*Meetings:* The Committee shall meet at least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor.

*Responsibilities and Duties:* To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review: review and update the Audit Committee Charter annually and review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor.
2. External Auditor:
  - (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
  - (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company and review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
  - (d) take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
  - (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval and to recommend to the Board the compensation to be paid to the external auditor;
  - (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements and review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### 3. Financial Reporting Processes:

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
  - (b) consider the external auditor' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
  - (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
  - (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
  - (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
  - (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
  - (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
  - (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
  - (i) review certification process;
  - (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
4. Other - review any related-party transactions, engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay compensation for any independent counsel and other advisors employed by the Committee.