



# E3 LITHIUM

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**Dated: May 23, 2023**

## **Meeting Details**

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**Date:** June 27, 2023  
**Time:** 2:00 p.m. (Calgary Time)  
**Place:** Virtually via ZOOM video conference



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## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares of **E3 Lithium Ltd.** (the “**Corporation**”) will be held at 2:00 p.m. (Calgary Time) on Tuesday, June 27, 2023 virtually via ZOOM video-conference:

1. To receive the audited financial statements of the Corporation for the financial year ended December 31, 2022, and the auditor’s report thereon;
2. To appoint MNP LLP, as the Corporation’s auditor for the ensuing year, at a remuneration to be fixed by the Directors;
3. To set the number of Directors for the ensuing year at five (5);
4. To elect Directors to hold office for the ensuing year;
5. To consider and, if thought fit, to approve by ordinary resolution the Corporation’s Omnibus Equity Incentive Plan, including all unallocated awards thereunder, as set out under the heading “*Particulars of Matters to be Acted Upon – Shareholder Approval of Omnibus Equity Incentive Plan*” in the accompanying Information Circular; and
6. To transact such other business as may properly be transacted at the Meeting or at any adjournment thereof.

The details of all matters proposed to be put before Shareholders at the Meeting are set forth in the accompanying Information Circular. At the Meeting, Shareholders will be asked to approve each of the foregoing items. The Corporation is not aware of any items of business to be brought before the Meeting other than those noted above and further described in the accompanying Information Circular.

The directors of the Corporation have fixed May 23, 2023 as the record date for the Meeting (the “**Record Date**”). Only Shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment(s) or postponement(s) of the Meeting.

Your vote is important. Management recommends you vote your shares in advance of the meeting to ensure your vote is properly accounted for. Only registered Shareholders and duly appointed proxyholders will be permitted access to the Meeting.

The Information Circular accompanying this Notice of Meeting provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of this Notice of Meeting. Also accompanying this Notice of Meeting is a proxy for registered shareholders. You may also be provided a voting instruction form by your Intermediary (as defined below) if you are a non-registered shareholder.

If you are a registered shareholder, whether or not you expect to attend the Meeting or any postponement or adjournment thereof, **PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY PROMPTLY IN THE ENCLOSED ENVELOPE OR VOTE BY PROXY USING THE TELEPHONE OR INTERNET BY FOLLOWING THE INSTRUCTIONS PROVIDED IN THE ACCOMPANYING PROXY.** Please note that registered shareholders of the Corporation may vote in person at the Meeting and any postponement(s) or any adjournment(s) of the Meeting even if you have previously returned the proxy.

To be effective, a proxy must be received by Odyssey Trust Company not later than 2:00 p.m. (Calgary time) on June 23, 2023, or in the case of any postponement or adjournment of the Meeting, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chairperson of the Meeting in his or her discretion. The Chairperson is under no obligation to accept or reject any particular late proxy.**

As set out in the notes to the Proxy, the enclosed proxy is solicited by management of the Corporation, but you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

If you are a non-registered shareholder and receive these materials through your broker, institution, participant, trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada) or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by the Intermediary. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting. Note that the deadlines set by your Intermediary for submitting your voting instruction form may be earlier than the dates described above

**DATED** at Calgary, Alberta, this 23rd day of May, 2023.

By order of the Board of Directors.

**E3 LITHIUM LTD.**

*/s/ “Chris Doornbos”*

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**Chris Doornbos**  
**CEO and Director**



## E3 LITHIUM

### E3 LITHIUM LTD.

Suite 1520, 300 - 5th Avenue SW

Calgary, AB T2P 3C4

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## **INFORMATION CIRCULAR**

### **MANAGEMENT SOLICITATION OF PROXIES**

This Information Circular (this “**Circular**”) is furnished in connection with the solicitation of proxies being made by management of E3 Lithium Ltd. (“**E3 Lithium**” or the “**Corporation**”) for use at the Annual General and Special Meeting (the “**Meeting**”) of the Corporation’s shareholders (the “**Shareholders**”) to be held virtually via ZOOM video-conference on Tuesday, June 27, 2023, at 2:00 p.m. (Calgary Time). While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

In the best interest of the health of all participants in the Meeting, the Corporation requests that Shareholders who wish to participate virtually at the Meeting contact the Corporation by June 23, 2023 at [admin@e3lithium.ca](mailto:admin@e3lithium.ca) to be included in the video conference for the Meeting. The Corporation will arrange for video conference participation for all Shareholders who have requested it by June 23, 2023. However, the Corporation strongly recommends that Shareholders vote by proxy or by a request for voting instructions in advance to ease the voting tabulation at the Meeting by Odyssey Trust Company.

In this Circular, references to the “**Corporation**”, “**we**” and “**our**” refer to E3 Lithium Ltd. and “**Common Shares**” means common shares in the capital of the Corporation. “**Beneficial Shareholders**” means Shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### **SOLICITATION OF PROXIES**

The enclosed instrument of proxy (the “**Proxy**”) is solicited by the management of the Corporation (the “**Management**”). The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by officers, directors and employees of the Corporation. The cost of solicitation will be borne by the Corporation.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the Proxy are representatives of the Corporation.

A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder’s behalf at the Meeting other than the persons named in the accompanying form of proxy as proxyholders. To exercise this right, a Shareholder must insert the name of the Shareholder’s nominee in the blank space provided in the Proxy or complete another suitable form of proxy permitted by law, and in either case send or deliver the completed proxy to Odyssey Trust Company by mail or personal delivery to Odyssey Trust Company, Trader’s Bank Building, 702, 67 Yonge Street, Toronto, O.N. M5E 1J8, e-mail to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com), by fax to Odyssey Trust Company, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international), or by internet at <https://login.odysseytrust.com/pxlogin> and following the online voting instructions given to you.

## **Manner of Voting**

A Shareholder whose name appear on the records of the Corporation on the Record Date (as defined below) as a registered holder of Common Shares (a “**Registered Shareholder**”) and who elects to complete the enclosed Proxy may indicate the manner in which the persons named in the Proxy (the “**Proxyholders**”) are to vote with respect to any matter. The Common Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder given in the Proxy (provided such directions are certain) on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the Common Shares will be voted or withheld from voting accordingly. On any poll, the Proxyholders will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction, if any, given in the Proxy, provided such directions are certain.

**Where no choice has been specified by a Shareholder, and the Management Proxyholders have been appointed, such Common Shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

**The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting.** At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

If a registered Shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

## **Revocation of Proxy**

A Registered Shareholder who has given a Proxy may revoke it at any time before it is exercised at the Meeting or any adjournment or postponement thereof. If a Registered Shareholder who has given a Proxy attends the Meeting in person at which such Proxy is to be voted, such person may revoke the Proxy and vote in person. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Registered Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its common seal or by a duly authorized officer, and deposited with: (i) the Corporation’s registrar and transfer agent, Odyssey Trust Company (“**Odyssey**”), Suite 350 – 409 Granville Street, Vancouver, BC V6C 1T2, by mail at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of it, at which the Proxy is to be used; (ii) the Corporation’s registered office at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of it, at which the Proxy is to be used, (iii) the Chair of the Meeting on the day of the Meeting or any adjournment or postponement of it; or in any other manner permitted by law. Upon due deposit of the written revocation, the Proxy is revoked. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

If you are a Beneficial Shareholder, please contact your intermediary for instructions on how to revoke your voting instructions.

## **Voting Thresholds Required for Approval**

Voting at the Meeting will be by a show of hands or by a verbal poll of those present by telephone or other communication facilities, unless a ballot is requested or required by the Chair, a Shareholder or a Proxyholder entitled to vote at the Meeting. Each Shareholder and Proxyholder is entitled to one vote for each Common Share held or represented, respectively.

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, Common Shares held by Shareholders of the Corporation who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion. An Ordinary Resolution is required to pass the resolutions for the matters scheduled to be acted upon at the Meeting.

## **ADVICE TO REGISTERED SHAREHOLDERS**

Shareholders who are Registered Shareholders on the Record Date may choose to vote by proxy whether or not they are able to attend the Meeting in person. If your name appears on your Common Share certificate, you are a Registered Shareholder. Registered Shareholders electing to submit a proxy may do so as follows:

- (i) by e-mail to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com);
- (ii) by mail or personal delivery to Odyssey Trust Company, Trader’s Bank Building, 702, 67 Yonge Street, Toronto, O.N. M5E 1J8;
- (iii) by fax to Odyssey Trust Company, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international); or
- (iv) by internet <https://login.odysseytrust.com/pxlogin> and following the online voting instructions given to you,

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment or postponement thereof at which the proxy is to be used. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, under its common seal or by a duly authorized officer.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name.**

Beneficial Shareholders should note that only Proxies deposited by Registered Shareholders (or as set out in the following disclosure) can be recognized and acted upon at the Meeting.

If Common Shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those Common Shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such Common Shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The Common Shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are

prohibited from voting shares for the intermediary's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

Generally, Beneficial Shareholders who have not waived the right to receive proxy-related materials will be given a voting instruction form, which must be completed and signed by the Beneficial Shareholder in accordance with the directions in the voting instruction form. Beneficial Shareholders should follow the instructions of their intermediary carefully in order to ensure that their Common Shares are voted at the Meeting. The proxy supplied by your intermediary will be similar to the Proxy provided to Registered Shareholders by the Corporation; however, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf.

Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge mails a voting instruction form in lieu of a Proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Shareholder) other than any of the persons designated in the voting instruction form, to represent your Common Shares at the Meeting, and that person may be you.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their intermediary, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a Proxyholder. In general, to exercise this right, insert your name (or, if you want to nominate someone else, the name of the desired representative) in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any Beneficial Shareholder's representative.

If you receive a voting instruction form from Broadridge, the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners).

### **Non-Objecting Beneficial Owners**

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Corporation will not be sending proxy-related materials directly to its NOBOs.

### **Objecting Beneficial Owners**

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting. Management of the Corporation does not intend to pay for intermediaries to forward the proxy-related materials, including this Circular, and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs under NI 54-101. As a result, OBOs will not

receive the proxy related materials, including this Circular, unless the OBOs intermediary assumes the cost of delivery.

### NOTICE-AND-ACCESS

The Corporation is not using “notice and access”, as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and is sending physical copies of the Meeting materials to Registered Shareholders in accordance with NI 54-101.

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

None of the directors or executive officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the adoption of the Corporation’s stock option plan, approval of which will be sought at the Meeting. Directors and executive officers of the Corporation may participate in the Omnibus Plan (as defined below), and accordingly have an interest in its approval. See “*Particulars of Matters to be Acted Upon – Shareholder Approval of Omnibus Equity Incentive Plan*”.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at May 23, 2023, the Corporation has 65,019,182 common shares (“**Common Shares**”) issued and outstanding as fully paid and non-assessable Common Shares without par value, each Common Share carrying the right to one vote. The Corporation has no other class of voting securities and does not have any class of restricted securities.

Any Shareholder of record at the close of business on May 23, 2023 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such Shareholder’s Common Shares voted at the Meeting or any adjournment thereof.

Under the Corporation’s by-laws, the quorum for the transaction of business at any meeting of Shareholders shall be at least two persons present in person, each being a Shareholder entitled to vote at such meeting or a duly appointed proxy or representative for an absent Shareholder, and representing in the aggregate not less than five percent (5%) of the outstanding Common Shares.

#### Principal Holders of Voting Securities

To the best of the knowledge of the directors and senior officers of the Corporation, as of the date of this Circular, no person or corporation beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

### ELECTION OF DIRECTORS

Management of the Corporation is seeking shareholder approval of an ordinary resolution fixing the number of directors of the Corporation at five (5) for the ensuing year.

The term of office for 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 Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the *Business Corporations Act* (Alberta).



The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Corporation, the period of time for which he has been a director of the Corporation, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of Common Shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular. Each of the nominees are currently directors of the Corporation.

<b>Name<sup>(1)(2)</sup></b>	<b>Principal Occupation<sup>(2)</sup></b>	<b>Director Since</b>	<b>Number and Percentage of Common Shares<sup>(2)</sup></b>
<b>Christopher Doornbos</b> Alberta, Canada  President, Chief Executive Officer and Director	Professional Geologist and President and Chief Executive Officer of the Corporation and Revere Development Corp. Former Vice President of Exploration of MinQuest Ltd.	May 30, 2017	1,502,780 (2.31%)
<b>Peeyush Varshney, LLB<sup>(3)(4)</sup></b> British Columbia, Canada  Director	Principal and Director of Varshney Capital Corp from November 1999 to present. Director and/or executive officer of various publicly traded companies.	May 18, 2017	217,906 (0.34%)
<b>John Pantazopoulos<sup>(3)(5)</sup></b> Alberta, Canada  Chair, and Director	Chair, and former CFO and Corporate Secretary of the Corporation. CEO of Lucky Strike Energy Ltd. Former Vice President ATB Financial. Former Senior Vice President and CFO of Tangle Creek Energy Ltd.	Nov 5, 2020	44,000 (0.07%)
<b>Mike O'Hara<sup>(3)(4)(5)</sup></b> Alberta, Canada  Director	Registered Professional engineer and an oil & gas executive. President and Director of Grafton Ventures Energy. Former Founder, Director & President of Bernum Petroleum Ltd., Xergy Processing Inc. and Calahoo Petroleum Ltd. (TSE listed company)	May 30, 2017	260,000 (0.40%)
<b>Kevin Stashin<sup>(4)(5)</sup></b> Alberta, Canada  Director	Former President and CEO of NAL Resources Management Limited. Former VP Exploitation and VP Operations of Devon Canada. Chair of the Board of the Petroleum Technology Alliance Canada.	Feb 17, 2021	20,000 (0.03%)

**Notes:**

- (1) For the purposes of disclosing position(s) held in the Corporation, "Corporation" includes the Corporation and any parent or subsidiary thereof.
- (2) The information as to province and country of residence, principal occupation and number of Common Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the Management and has been furnished by the respective nominees. Percentages based on 65,019,182 Common Shares outstanding as at May 23, 2023.
- (3) Member of the Corporation's Audit Committee.
- (4) Member of the Corporation's Compensation Committee.
- (5) Member of the Corporation's Governance Committee.

## Corporate Cease Trade Orders or Bankruptcies

To the best of Management's knowledge, no proposed director:

- (a) is at the date of this Circular, or has been within the last 10 years, a director, chief financial officer ("**CEO**") or chief financial officer ("**CFO**") of any corporation (including the Corporation) 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, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) 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, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such corporation; or
- (c) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any corporation (including the Corporation) 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; or
- (d) 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 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; or
- (e) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (f) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## DIRECTOR AND EXECUTIVE COMPENSATION

The Corporation is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

For the purpose of this compensation discussion and analysis, a "**CEO**" or "**CFO**" or "**VP**" means each individual who served as Chief Executive Officer or Chief Financial Officer or Vice-President, respectively, of the Corporation or acted in a similar capacity during the most recently completed financial year. A "**Named Executive Officer**" or "**NEO**" means each CEO, each CFO, the Corporation's most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000, and any additional individuals who would be a Named Executive Officer but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the financial year.

For the year ended December 31, 2022, the NEOs of the Corporation were: Christopher Doornbos (President and Chief Executive Officer), Raymond Chow (Chief Financial Officer and Corporate Secretary) and Christopher Ward (VP, Clearwater Project).

## Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding stock options and other compensation securities) paid, awarded to or earned by the Named Executive Officers and any director who is not a Named Executive Officer for each of the Corporation's two most recently completed years.

Name and Position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
<b>Christopher Doornbos</b> <sup>(2)</sup> President, CEO and Director	2022	185,385	-	-	-	185,385
	2021	184,122	20,000	-	-	204,122
<b>Raymond Chow</b> <sup>(3)</sup> CFO and Corporate Secretary	2022	169,717	-	-	-	169,717
	2021	115,300	-	-	-	115,300
<b>Christopher Ward</b> <sup>(4)</sup> VP, Clearwater Project	2022	182,774	-	-	-	182,774
	2021	141,731	-	-	-	141,731
<b>John Pantazopoulos</b> <sup>(5)</sup> Chair, Director and former CFO and Corporate Secretary	2022	-	-	12,500	-	12,500
	2021	-	-	2,500	-	2,500
<b>Peeyush Varshney</b> <sup>(6)</sup> Director	2022	-	-	12,500	-	12,500
	2021	-	-	2,500	-	2,500
<b>Mike O'Hara</b> <sup>(7)</sup> Director	2022	-	-	12,500	-	12,500
	2021	-	-	2,500	-	2,500
<b>Kevin Stashin</b> <sup>(8)</sup> Director	2022	-	-	12,500	-	12,500
	2021	-	-	3,125	-	3,125
<b>Paul Reinhart</b> <sup>(9)</sup> Former Director	2022	-	-	-	-	-
	2021	-	-	-	-	-

### Notes:

- (1) Financial year ended December 31. The value of perquisites received, if any, by the individuals in the table above was less than \$15,000 (if the individual's total salary for the financial year was \$150,000 or less) or 10% of the individual's salary for the financial year (if the individual's total salary for the financial year was greater than \$150,000).
- (2) Chris Doornbos was appointed President, Chief Executive Officer and Director on May 30, 2017. Mr. Doornbos did not receive any compensation for his role as a Director in either of the two most recently completed financial years.
- (3) Raymond Chow was appointed Chief Financial Officer on July 1, 2021.
- (4) Christopher Ward was appointed as VP, Clearwater Project on July 19, 2022.
- (5) John Pantazopoulos was appointed as a Director on November 5, 2020, as Corporate Secretary on January 1, 2021, and as Chair on January 4, 2022. Mr. Pantazopoulos previously held the position of Chief Financial Officer from January 1, 2021 to July 1, 2021. Mr. Pantazopoulos did not receive any compensation for his role as a Director in either of the two most recently completed financial years.
- (6) Peeyush Varshney was appointed as a Director on May 18, 2017.
- (7) Mike O'Hara was appointed as a Director on May 30, 2017.
- (8) Kevin Stashin was appointed as a Director on February 17, 2021.

(9) Paul Reinhart was appointed as a Director on May 30, 2017 and resigned as a Director on February 17, 2021.

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to Named Executive Officers and any director who is not a Named Executive Officer in the most recently completed financial year ended December 31, 2022 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Name and Position(s)	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class <sup>(1)</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
<b>Christopher Doornbos<sup>(2)</sup></b> President, CEO and Director	Option <sup>(9)</sup>	200,000 (3.98%)	06/24/2022	2.67	2.67	1.93	06/24/2027
<b>Raymond Chow<sup>(3)</sup></b> CFO and Corporate Secretary	Option <sup>(9)</sup>	125,000 (2.49%)	06/24/2022	2.67	2.67	1.93	06/24/2027
<b>Christopher Ward<sup>(4)</sup></b> VP, Clearwater Project	Option <sup>(9)</sup>	35,000 (0.70%)	01/04/2022	2.32	2.32	1.93	01/04/2027
	Option <sup>(9)</sup>	75,000 (1.49%)	06/24/2022	2.67	2.67	1.93	06/24/2027
<b>John Pantazopoulos<sup>(5)</sup></b> Chair, Director and former CFO and Corporate Secretary	Option <sup>(9)</sup>	50,000 (0.99%)	06/24/2022	2.67	2.67	1.93	06/24/2027
<b>Peeyush Varshney<sup>(6)</sup></b> Director	Option <sup>(9)</sup>	50,000 (0.99%)	06/24/2022	2.67	2.67	1.93	06/24/2027
<b>Mike O'Hara<sup>(7)</sup></b> Director	Option <sup>(9)</sup>	50,000 (0.99%)	06/24/2022	2.67	2.67	1.93	06/24/2027
<b>Kevin Stashin<sup>(8)</sup></b> Director	Option <sup>(9)</sup>	50,000 (0.99%)	06/24/2022	2.67	2.67	1.93	06/24/2027

**Notes:**

- (1) Percentages based on 5,025,767 Options outstanding as at December 31, 2022.
- (2) Chris Doornbos was appointed President, Chief Executive Officer and Director on May 30, 2017.
- (3) Raymond Chow was appointed Chief Financial Officer on July 1, 2021.
- (4) Christopher Ward was appointed as VP, Clearwater Project on July 19, 2022.
- (5) John Pantazopoulos was appointed as a Director on November 5, 2020, as Corporate Secretary on January 1, 2021, and as Chair on January 4, 2022. Mr. Pantazopoulos previously held the position of Chief Financial Officer from January 1, 2021 to July 1, 2021.
- (6) Peeyush Varshney was appointed as a Director on May 18, 2017.
- (7) Mike O'Hara was appointed as a Director since May 30, 2017.
- (8) Kevin Stashin was appointed as a Director on February 17, 2021.
- (9) Options vest in four equal tranches, with 25% vesting on first anniversary of the date of grant and an additional 25% vesting each year thereafter. Each Option is exercisable upon vesting to acquire one Common Share.

None of the NEOs or directors of the Corporation exercised any compensation securities during the most recently completed financial year.

For information about the material terms of the Corporation's proposed Omnibus Plan, please see "Particulars of Matters to be Acted Upon – Shareholder Approval of Omnibus Equity Incentive Plan".

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

The Corporation paid compensation to Christopher Doornbos, the Corporation's Chief Executive Officer, President and a Director, pursuant to an executive employment agreement (the "**Doornbos Agreement**"). Effective July 1, 2021, Mr. Doornbos' base salary increased to \$200,000. Mr. Doornbos may terminate the Doornbos Agreement by providing three months' notice to the Corporation. The Corporation may terminate Mr. Doornbos' employment for just cause at any time, or without cause by providing six months written notice, payment in lieu, or a combination of the two. The Doornbos Agreement includes change of control provisions whereby if there is a change of control of the Corporation, Mr. Doornbos will be entitled to elect to terminate his employment with the Corporation and received a lump sum termination payment in the amount of his annual base salary plus the average of annual bonuses or other cash incentive payments paid by the Corporation for the two immediately preceding years.

The Corporation paid compensation to Raymond Chow, the Corporation's Chief Financial Officer, pursuant to an executive employment agreement (the "**Chow Agreement**"). Effective July 1, 2021, Mr. Chow's base salary increased to \$170,000. Mr. Chow may terminate the Chow Agreement by providing two months' notice to the Corporation. The Corporation may terminate Mr. Chow's employment for just cause at any time, or without cause providing the minimum amount of notice that is required under the Employment Standards Code, payment in lieu, or a combination of the two. If the Employee is terminated without cause then in addition to the notice or pay in lieu entitlements set out therein, the Employee will be eligible to earn a separation bonus equal to one (1) month of Base Salary per completed year of service, up to a maximum of eight (8) months of Base Salary (less required statutory deductions), provided that the Employee does not, in the reasonable opinion of the Company, breach the Non-Disparagement provision during the twelve (12) month period immediately following the Employee's termination of employment (the "Separation Bonus"). If the Company determines that the Employee has earned the Separation Bonus, the Separation Bonus will become payable within the thirteenth (13th) month following the Employee's termination of employment. The Employee will be eligible to earn the Separation Bonus whether or not the Employee's employment is terminated without cause upon a Change of Control, as hereinafter defined. The Chow Agreement includes change of control provisions whereby if there is a change of control of the Corporation, Mr. Chow will be entitled to elect to terminate his employment with the Corporation and received a lump sum termination payment in the amount of his annual base salary.

The Corporation paid compensation to Christopher Ward, the Corporation's VP Clearwater Project, pursuant to an executive employment agreement (the "**Ward Agreement**"). Effective July 1, 2021, Mr. Ward's base salary increased to \$175,000. Mr. Ward may terminate the Ward Agreement by providing two months' notice to the Corporation. The Corporation may terminate Mr. Ward's employment for just cause at any time, or without cause providing three (3) notice or pay in lieu of notice, or a combination of the two; participation in all benefit plans provided by the Company immediately prior to the termination of employment for the minimum statutory notice period as required by and in accordance with applicable employment standards legislation; and outstanding earned vacation pay accrued up to the last day of the statutory notice period as required by and in accordance with applicable employment standards legislation. The Ward Agreement includes change of control provisions whereby if there is a change of control of the Corporation, Mr. Ward will be entitled to elect to terminate his employment with the Corporation and received a lump sum termination payment in the amount of his annual base salary.

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

### *Director Compensation*

The Board determines director compensation from time to time. Directors are compensated \$10,000 per annum as members of the board or \$12,500 per annum as a chair of a committee. The Corporation has previously, from time to time, granted certain of its directors options to purchase Common Shares ("**Options**") pursuant to the terms of the Legacy Plan and in accordance with the policies of the TSX Venture Exchange (the "**Exchange**" or the "**TSXV**"). At the Meeting, the Corporation is asking Shareholders to approve the adoption of the Omnibus Plan (as defined below), pursuant to which the Corporation may from time to time grant Options, RSUs, PSUs and DSUs to eligible participants under the Omnibus Plan.

## Named Executive Officer Compensation

The Board as a whole determines executive compensation from time to time as defined by the Corporation's compensation policy. The main objectives the Corporation hopes to achieve through its compensation are to attract and retain executives critical to the Corporation's success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value. The Corporation looks at industry standards when compensating its executive officers.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has adopted a stock option plan which was last approved by the shareholders of the Corporation on June 24, 2022 (the "**Legacy Plan**"). Stock options have been determined by the Corporation's directors and are only granted in compliance with applicable laws and regulatory policy. The policies of the Exchange limit the granting of stock options to employees, officers, directors and consultants of the Corporation and provide limits on the length of term, number and exercise price of such options. The Exchange also requires annual approval of stock option plans by shareholders.

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2022. The Corporation has adopted the Omnibus Plan but has not issued any stock options or other equity incentive awards under the Omnibus Plan.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup> (a)	Weighted-average exercise price of outstanding options (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup> (c)
Equity compensation plans approved by security holders <sup>(3)</sup>	5,025,767	\$1.98	1,297,210
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>5,025,767</b>	<b>\$1.98</b>	<b>1,297,210</b>

#### Notes:

- (1) Assuming outstanding Options are fully vested.
- (2) 63,229,773 issued and outstanding Common Shares as of December 31, 2022.
- (3) The Legacy Plan was the only equity compensation plan of the Corporation for the financial year ended December 31, 2022. At the Meeting, Shareholders will be asked to approve the Omnibus Plan. See "*Particulars of Matters to be Acted Upon – Shareholder Approval for the Omnibus Equity Incentive Plan*".

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, Christopher Doornbos, the Corporation's Chief Executive Officer, President and a Director, is indebted to the Corporation for \$88,139 related to withholding taxes remitted on behalf of the employee arising from a stock option exercise. No other executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or Corporation that is itself an informed person or subsidiary of the Corporation; (c) any person or Corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Corporation as underwriter in the course of a distribution; and (d) the Corporation itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## AUDIT COMMITTEE

### Composition of Audit Committee

As at the date of this Circular, the Audit Committee is composed of John Pantazopoulos, Peeyush Varshney (Chair of Audit) and Mike O'Hara. Mr. Varshney and Mr. O'Hara are "independent" because they are not executive officers or former employees of the Corporation. All three members are "financially literate" within the meaning of sections 1.4, 1.5 and 1.6 of National Instrument 52-110 *Audit Committees* ("NI 52-110"). The text of the Audit Committee's Charter is attached as Appendix "A" to this Circular.

The Corporation is relying on the exemption provided by Section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Corporation from the requirements of Parts 3 (*Composition of the Audit Committee*) and 6 (*Reporting Obligations*) of NI 52-110.

### Relevant Education and Experience

Peeyush Varshney is a lawyer in good standing with the Law Society of British Columbia. He obtained a Bachelor of Commerce degree (1989) and a Bachelor of Laws degree (1993) from the University of British Columbia. He has extensive experience with publicly traded companies and has an understanding of the accounting principles used by the Corporation to prepare its financial statements.

Mike O'Hara is an oil & gas executive and registered professional engineer with 36 years' experience in founding, developing and managing profitable, growth-oriented oil and gas companies. He has an understanding of the accounting principles used by the Corporation to prepare its financial statements.

John Pantazopoulos is a finance professional with over 20 years of energy and banking experience. John is CEO of an E&P producer and was recently Vice President with a large Alberta based financial institution and prior thereto, John held senior positions with Alberta based junior and intermediate E&P producers. John is a CFA Charter holder and holds an ICD.D designation.

### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) or Part 8 (*Exemptions*) of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-

approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “Article 2 – Pre-Approval of Non-Audit Services” of the Audit Committee Charter as set out in Appendix “A” to this Circular.

### **Audit Fees, Audit-Related Fees, Tax Fees and all other Fees**

In the following table, “*Audit Fees*” are fees billed by the Corporation’s external auditor for services provided in auditing the Corporation’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 Corporation’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 paid by the Corporation to its auditor in each of the last two financial years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2022	\$67,410	\$8,420	Nil	\$48,030
December 31, 2021	\$50,000	\$10,440	Nil	Nil

### **Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations**

Since the Corporation is a venture issuer, it relies on the exemption contained in section 6 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Circular).

## **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires the Corporation to disclose its corporate governance practices on an annual basis. The Corporation’s approach to corporate governance is set forth below.

### **Board of Directors**

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation’s internal control and management information systems.

The Board sets long term goals and objectives for the Corporation and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Corporation to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating



to the Corporation and its business. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the Shareholders and of Management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Corporation's business including financial risks, through periodic reports from Management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management is authorized to act without board approval, on all ordinary course matters relating to the Corporation's business.

The Board also monitors the Corporation's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Corporation.

Applying the definition set out in NI 52-110, Christopher Doornbos is not independent by virtue of the fact that he is the Corporation's President and CEO and John Pantazopoulos is not independent by virtue of the fact that he is the Corporation's Chairperson. Peeyush Varshney, Mike O'Hara and Kevin Stashin are considered to be independent.

In addition to their positions on the Board, the following directors or proposed directors for nomination also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuers or Equivalent(s)
Peeyush Varshney	ZincX Resources Corp. Norrland Gold Corp. Mojave Brands Inc. Aneesh Capital Corp. AAJ Capital 3 Corp.
John Pantazopoulos	Transition Opportunities Corp.

### **Orientation and Continuing Education**

Orientation and education of new members of the Board is conducted informally by Management and members of the Board. The orientation provides background information on the Corporation's history, performance and strategic plans.

### **Ethical Business Conduct**

Directors, officers and employees are required as a function of their directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

## **Nomination of Directors**

The Board is responsible for reviewing the composition of the Board on a periodic basis. The Board analyses the needs of the Board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

## **Compensation Committee**

The Compensation Committee reviews and approves all matters relating to compensation of the directors and executive officers of the Corporation. With regard to the CEO, the Board reviews and approves corporate goals and objectives relevant to the CEO's compensation, evaluates the CEO's performance in light of those goals and objectives and sets the CEO's compensation level based on this evaluation.

As at the date of this Circular, the Compensation Committee is composed of Peeyush Varshney and Mike O'Hara (Chair of Compensation). Peeyush Varshney and Mike O'Hara are "independent" because they are not executive officers or former employees of the Corporation.

## **Governance Committee**

The Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures.

As at the date of this Circular, the Governance Committee is composed of John Pantazopoulos, Mike O'Hara and Kevin Stashin (Chair of Governance). Mike O'Hara and Kevin Stashin are "independent" because they are not executive officers or former employees of the Corporation.

## **MANAGEMENT CONTRACTS**

The management functions of the Corporation are not to any substantial degree performed by any person other than the executive officers and directors of the Corporation.

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

### **Presentation of Financial Statements**

The audited financial statements of the Corporation for the financial year ended December 31, 2022, together with the auditor's report of the corporation (the "**Financial Statements**"), will be presented to Shareholders at the Meeting, but no Shareholder vote is required in connection with these documents.

The Financial Statements together with the accompanying management discussion and analysis has been filed on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) and copies are available upon request from the Corporation.

### **Appointment and Remuneration of Auditor**

MNP LLP, Chartered Accountants ("**MNP LLP**"), is the auditor of the Corporation. MNP LLP was first appointed as the Corporation's auditor on December 27, 2018 by the Board, upon the recommendation of the Audit Committee of the Corporation.

Shareholders will be asked to approve the re-appointment of MNP LLP as the auditor of the Corporation to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

**Management is recommending the re-appointment of MNP LLP as auditor, to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board of Directors. In the absence of instructions to the contrary, the management Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing MNP LLP as the Corporation's independent auditor for the ensuing year, at remuneration to be fixed by the directors.**

### **Fixing the Number of Directors**

At the Meeting, Shareholders will be asked to approve an ordinary resolution to set the number of directors elected for the ensuing year at five (5), subject to such increases as may be permitted by the Articles of the Corporation and the provisions of the *Business Corporations Act* (Alberta) ("**ABCA**").

**Management recommends voting "FOR", and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors at five (5) for the ensuing year.**

**In the absence of instructions to the contrary, the management Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at five (5) for the ensuing year.**

### **Election of Directors**

Each Director of the Corporation is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Corporation or the ABCA.

At the Meeting, we will ask Shareholders to vote for the election of the five (5) Director nominees proposed by Management: Christopher Doornbos, Peeyush Varshney, John Pantazopoulos, Mike O'Hara and Kevin Stashin. Each Shareholder will be entitled to cast their votes for or withhold their votes from the election of each director nominee. For more information concerning the Management director nominees, see "*Election of Directors*".

**We recommend a vote "FOR" the election of each of the director nominees.**

**In the absence of instructions to the contrary, the management Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.**

### **Shareholder Approval of Omnibus Equity Incentive Plan**

Previously the Corporation had adopted the Legacy Plan as its equity incentive plan, which was last approved by shareholders at the annual general and special meeting of the Corporation held on June 24, 2022. The Legacy Plan was established to provide incentives to employees, officers, directors and consultants who provide services to the Corporation. TSXV policy requires that all companies listed on the TSXV adopt a stock option plan if a company wishes to grant stock options.

#### *Background and Context*

On May 26, 2023, the Board approved the adoption by the Corporation of an omnibus equity incentive plan (the "**Omnibus Plan**") for future awards to eligible directors, officers, employees and consultants. Provided that the Omnibus Plan is approved by shareholders at the Meeting, all future grants of equity-based awards will be made under the Omnibus Plan, all outstanding Options granted under the Legacy Plan will continue to be governed by the terms of the Legacy Plan and the Corporation will cease to grant any Options or other equity-based awards under the Legacy Plan.

The objectives of the Omnibus Plan are to, among other things, promote further alignment between the interests of officers, directors, employees and other service providers of the Corporation and the shareholders of the Corporation; to associate a portion of participants' compensation with the performance of the Corporation; and to attract, motivate and retain the key participants to drive the business success of the Corporation and its subsidiaries.

A summary of the key terms of the Omnibus Plan is set out below, which is qualified in its entirety by the full text of the Omnibus Plan.

**The Board recommends that Shareholders vote in favour of the approval of the Omnibus Plan Resolution. The Management Proxyholders, unless expressly directed to the contrary in such form of proxy, will vote such proxies FOR the Omnibus Plan Resolution to approve the Omnibus Plan.**

#### *Summary of the Omnibus Plan*

The Omnibus Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of Options, restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”, and together with Options, RSUs and PSUs, “**Awards**”), as described in further detail below.

#### *Failure to Approve the Omnibus Plan*

If Shareholders do not approve the Omnibus Plan Resolution (as defined below), the Corporation will not be able to implement the Omnibus Plan and the Board will not be able to grant Options, RSUs, PSUs or DSUs under the Omnibus Plan.

#### *Administration*

The Omnibus Plan will be administered by the Board. The Board will determine which directors, officers, eligible employees or consultants of the Corporation and any affiliates of the Corporation designated by the Board (the “**Participating Entity**”) are eligible to receive Awards under the Omnibus Plan.

The approval of the shareholders of the Corporation is required for any amendments to the Omnibus Plan that would result in an increase in the maximum number of Common Shares that may be issuable pursuant to Awards granted under the Omnibus Plan, or an increase in the maximum number of Awards that may be issuable to “insiders” of the Corporation (as defined in TSXV Policy 1.1) and associates of such insiders at any time.

The approval of the disinterested shareholders of the Corporation is required for any amendments that would result in a reduction in the exercise price of an outstanding Option benefitting an insider of the Corporation or an extension of the expiry date of an Award benefitting an insider of the Corporation (except in the case of an extension due to a blackout period).

The Board has the power to amend or modify the Omnibus Plan or any Award granted thereunder without shareholder approval in connection with:

- (a) any amendment of a “housekeeping” nature, including those made to clarify the meaning of an existing provision of the Omnibus Plan or any agreement, correct or supplement any provision of the Omnibus Plan that is inconsistent with any other provision of the Omnibus Plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the Omnibus Plan regarding administration of the Omnibus Plan; or
- (b) an amendment of the Omnibus Plan or an Award as necessary to comply with applicable law or the requirements of any stock exchange upon which the securities of the Corporation are then listed or any other regulatory body having authority over the Corporation, the Omnibus Plan, Participants or the shareholders of the Corporation.

No amendment to the Omnibus Plan shall become effective until the approval of the TSXV is obtained.

### *Eligibility*

All employees, directors and, subject to the discretion of the Board, consultants of the Corporation and any affiliates of the Corporation designated by the Board (the “**Participating Entity**”) are eligible to participate in the Omnibus Plan (collectively, the “**Participants**”). Except as required by law, no Awards or any rights of a Participant under the Omnibus Plan may be anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and no such Awards or rights are capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

### *Common Shares Subject to the Omnibus Plan and Limitation on Awards*

The maximum number of Common Shares available for issuance pursuant to the Omnibus Plan and any other security-based compensation arrangement of the Corporation shall not exceed 10% of the issued and outstanding Common Shares from time to time.

In addition, the grant of Awards under the Omnibus Plan is subject to the following additional limitations:

- (a) the aggregate number of Common Shares issuable to insiders of the Corporation under the Omnibus Plan or any other security based compensation plan of the Corporation shall not at any time exceed 10% of the issued and outstanding Common Shares and the aggregate number of Common Shares issuable to insiders of the Corporation under the Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not exceed 10% of the issued and outstanding Common Shares as at the date any Award is granted to any insider of the Corporation (unless the Corporation has obtained disinterested shareholder approval in respect thereof);
- (b) the aggregate number of Common Shares issuable to any one Participant under the Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not at any time exceed 5% of the issued and outstanding Common Shares as at the date any Award is granted to the Participant (unless the Corporation has obtained disinterested shareholder approval in respect thereof);
- (c) the aggregate number of Common Shares issuable to any one consultant under the Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not at any time exceed 2% of the issued and outstanding Common Shares as at the date any Award is granted to the consultant; and
- (d) the aggregate number of Common Shares issuable to all Participants retained to provide “investor relations activities” (as defined in TSXV Policy 1.1) under the Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not at any time exceed 2% of the issued and outstanding Common Shares as at the date any Option is granted to a Participant retained to provide investor relations activities.

If any Options, RSUs, PSUs or DSUs granted under the Omnibus Plan expire, terminate or are cancelled for any reason without being settled in the form of Common Shares, such Common Shares will become available for additional grants under the Omnibus Plan.

### *Stock Options*

The exercise price for Options will be determined by the Board, but shall be not less than one hundred per cent (100%) of the Market Value (as defined in the Omnibus Plan) at the date the Option is granted. Options granted under the Omnibus Plan shall have the vesting provisions (if any) designated by the Board.

Options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until 10 business days after the end of the blackout period.

#### *Restricted Share Units and Performance Share Units*

The terms and conditions of RSU and PSU grants, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such Participant's RSU agreement or PSU agreement, as applicable. The agreement governing the grant of a PSU may also set out the applicable performance goals and the performance periods during which such goals must be attained in order for vesting to occur. RSUs and PSUs shall be settled by the issuance of Common Shares, a cash payment or any combination thereof, to be determined at the discretion of the Board at the time of settlement.

Performance goals for PSUs may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. The Board may modify the performance goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in the award agreement for the PSU or an employment or other agreement with the Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable award agreement for the PSU.

An RSU and PSU account will be maintained for each Participant and each notional grant of RSUs and PSUs, as granted to such Participant from time to time, will be credited to such Participant's account. RSUs and PSUs that fail to vest with respect to a Participant, or that are paid out to the Participant are cancelled and will be removed from such Participant's account.

Vested RSUs and PSUs may be settled on the first business day following the applicable vesting date, and, in any event, on or before December 31 of the third year following the year in which the Participant performed the services to which the grant of RSUs or PSUs relates. No RSU or PSU may vest before the date which is one year from the date of grant of the RSU or PSU.

If RSUs or PSUs would otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the RSUs or PSUs under the Omnibus Plan.

#### *Deferred Share Units*

The Board may grant DSUs to any eligible Participant designated by the Board as eligible to receive DSUs under the Omnibus Plan. Eligible directors may also elect to be paid up to 100% of their annual board retainer (if applicable) in the form of DSUs, subject to Board approval. The number of DSUs granted at any particular time pursuant to the Omnibus Plan will be calculated by not less than the market value of a Common Share on the grant date or election date, as applicable. The Corporation shall maintain a DSU account for each Participant. All DSUs recorded in a Participant's DSU account will vest on the date the Participant ceases to be a director of the Corporation and, if applicable, an employee of the Corporation; provided, however, that no DSU may vest before the date which is one year from the date of grant of the DSU. DSUs shall be settled by the issuance of Common Shares, a cash payment or any combination thereof, to be determined at the discretion of the Board at the time of settlement.

If DSUs would otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the DSUs under the Omnibus Plan.

Upon the settlement of DSUs by the issuance of Common Shares, the Common Shares will be issued from treasury by the Corporation as fully paid non-assessable Common Shares in an amount based on the whole number of DSUs then recorded in the Participant's DSU account (no fractional Common Shares will be issued). If settled in cash, the aggregate market value of the DSUs so settled will be determined based on the market value of the Common Shares on the applicable termination date multiplied by the number of DSUs then recorded in the Participant's DSU account on the termination date.

#### *Termination, Death, Disability or Discontinuance*

The Omnibus Plan also provides for earlier termination of Awards on the occurrence of certain events, including:

- if the Participant dies or is terminated as a result of disability, or if the entity by which the Participant is employed or to which the Participant is a director or consultant ceases to be a Participating Entity:
  - all of the Options held by the Participant that would have vested in the 12 months following the date of death, resignation or termination (the "**Termination Date**") will vest immediately on such date;
  - if a Participant's RSUs have not vested, subject to the Board's approval, a pro rata portion of the Participant's RSUs that are scheduled to vest on the next scheduled vesting date set forth in the RSU Agreement for such RSUs will vest, based on the number of days that have elapsed between the date of grant of the RSU and the Termination Date, and such RSUs will be settled in accordance with the provisions of the Omnibus Plan on the next scheduled vesting date set forth in the agreement governing the grant of such RSUs;
  - if a Participant's PSUs have not vested, any PSUs standing to the credit of such Participant shall continue to vest (and be settled) in the normal course for a period of ninety (90) days extending from the end of the fiscal year in which the Termination Date occurs (the "**90 Day Period**"). Subject to the Board's approval, any PSUs which do not vest in the normal course during the 90 Day Period shall vest pro rata upon the Termination Date to take into account only the period that has elapsed between the date of grant of the PSU and the Termination Date, provided the applicable performance goals for the PSU are satisfied in respect of the applicable performance period in which the Termination Date occurs; and
  - vested Options, RSUs or PSUs held by the Participant shall terminate on the earlier of: (i) 12 months following the Termination Date, or (ii) the expiry date of such Option, RSU or PSU, as applicable;
- if the Participant resigns from employment or as a director or consultant:
  - the Participant shall forfeit all rights, title and interest in the Awards which are not vested on the date the notice of resignation is delivered to the Corporation; and
  - the Participant may exercise the Options which are vested on the date the notice of resignation is delivered to the Corporation until the earlier of: (i) the end of the applicable exercise period; and (ii) 30 days after the date the notice of resignation is delivered to the Corporation, after which time all Options expire;
- if the Participant's employment is terminated for "cause" (as defined in the Omnibus Plan) or the Participant ceases to be a director or consultant on a similar basis, the Participant shall forfeit all rights, title and interest in all Awards, whether vested or not as at the date of such termination;
- if the Participant's employment is terminated without cause, the Participant resigns because he or she has been constructively dismissed, or the Participant ceases to be a director or Consultant on a similar basis then:

- the Participant's Options which are vested on the date of such termination may be exercised until the earlier of the applicable expiry date or 90 days after the date of such termination, after which time all Options expire;
- the Participant's RSUs that have not vested shall vest in accordance with the Omnibus Plan, provided that such RSUs shall in no event be settled later than the earlier of (i) one year following the date of such termination, and (ii) the expiry date of such RSUs; and
- the Participant's PSUs that have not vested shall vest in accordance with the Omnibus Plan, provided that such PSUs shall in no event be settled later than the earlier of (i) one year following the date of such termination, and (ii) the expiry date of such PSUs.

Notwithstanding the foregoing, the Board may, at the time of a Participant's termination, resignation, retirement, death or disability permit the exercise of any outstanding Options held by such Participant, provided that the Board may not extend the applicable exercise period of such Options.

#### *Alterations/Corporate Transactions*

If the Corporation effects a subdivision or consolidation of the Common Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of an ordinary cash dividend), or if any other change is made in the capitalization of the Corporation that, in the opinion of the Board, would warrant the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options;
- (b) the exercise price of any outstanding Options; or
- (c) the number of RSUs, PSUs or DSUs in the Participant's account or notional account, as applicable,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion, subject to (i) the limits set forth in the Omnibus Plan, (ii) the Corporation's compliance with TSXV Policy 4.4, and (iii) the Board's capacity to elect to effect such adjustment through payments in cash in lieu of adjusting the number of Common Shares or the number of RSUs, PSUs or DSUs in the Participant's account or notional account, as applicable. Notwithstanding the foregoing, any adjustment made by the Corporation in connection with an alteration of its capitalization or a corporate transaction, except for any adjustments made in connection with a subdivision or consolidation of the Common Shares, shall be subject to the approval of the TSXV.

#### *Claw-Back Provisions*

If the Board determines that a Participant: (i) engaged in an act of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes cause for dismissal during the Participant's employment or engagement that significantly contributed to an obligation to restate the Corporation's financial statements (whether required by law, accounting principles, regulatory policy or settlement with regulators having jurisdiction over the Corporation); or (ii) violated a non-competition, non-solicitation, non-disparagement, confidentiality or other restrictive covenant by which the Participant is bound, that Participant may, subject to the approval of the TSXV, be required to return any outstanding unexercised or unredeemed Awards for cancellation, and repay the proceeds resulting from any sale or other disposition of Common Shares issued or issuable upon redemption or exercise of an Award or any cash received on redemption of an Award, if the sale, disposition or receipt of cash occurred during the three year period following the first public issuance or filing with the applicable securities commissions or similar regulatory authorities of the financial statements required to be restated.



The Board may, in determining the appropriate amount of the claw-back referred to above, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Board's power to determine the appropriate punishment for the Participant is in addition to, and not in replacement of, any remedies which may be imposed by such entities and any other remedies available to the Corporation or its subsidiaries.

#### *Omnibus Plan Resolution*

Pursuant to the policies of the TSXV, a "rolling" security based compensation plan (such as the Omnibus Plan) must be approved by shareholders at the time it is implemented and yearly thereafter. The Corporation is seeking shareholder approval for the Omnibus Plan in accordance with the policies of the TSXV. The Corporation has received conditional approval of the TSXV for the Omnibus Plan. Final TSXV approval is subject to, among other conditions, the Corporation receiving shareholder approval for the Omnibus Plan.

In the event the Corporation fails to obtain Shareholder approval for the Omnibus Plan as required by the TSXV, then commencing on the earlier of: (i) the date of the Shareholder meeting at which the Shareholders do not approve of the Omnibus Plan or (ii) the date which is 15 months from the date of the last Shareholder meeting at which Shareholders approved the Omnibus Plan, the Corporation cannot grant or issue any further Awards under the Omnibus Plan until it has obtained the requisite Shareholder approval for the Omnibus Plan.

At the Meeting, Shareholders will be asked to pass a resolution in substantially the following form (the "**Omnibus Plan Resolution**"):

**"IT IS RESOLVED, as an ordinary resolution that:**

1. The Corporation's omnibus equity incentive plan (the "**Omnibus Plan**") as set forth in the Information Circular dated May 23, 2023, including the reservation for issuance under the Omnibus Plan at any time of a maximum of 10% of the issued common shares of the Corporation, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Omnibus Plan by the TSX Venture Exchange (the "**Exchange**"), and the Corporation has the ability to grant stock options and other awards under the Omnibus Plan;
2. The Board be authorized in its absolute discretion to administer the Omnibus Plan and amend or modify the Omnibus Plan in accordance with its terms and conditions and with the policies of the Exchange; and
3. Any one director or officer of the Corporation 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 Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Omnibus Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Omnibus Plan."

#### **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 Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## ADDITIONAL INFORMATION

Financial information concerning the Corporation is contained in its comparative financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2022. Copies of these documents, this Circular and additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or obtained upon request from the Corporation without charge to shareholders:

**E3 LITHIUM LTD.**

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Calgary, AB T2P 3C4  
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Email: [admin@e3metalscorp.com](mailto:admin@e3metalscorp.com)

**DATED** this 23<sup>rd</sup> day of May, 2023.

**ON BEHALF OF THE BOARD**

*“Christopher Doornbos”*

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**Christopher Doornbos**  
**CEO, President and Director**

## APPENDIX "A"

### Charter of the Audit Committee of the Board of Directors of E3 Lithium Ltd. (the "Corporation")

#### Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Corporation (the "Board") to oversee the accounting and financial reporting process of the Corporation and audits of the financial statements of the Corporation. The Audit Committee's primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor;
- (e) review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Corporation's financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

## **Article 2 – Pre-Approval of Non-Audit Services**

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

## **Article 3 – External Advisors**

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

## **Article 4 – External Auditors**

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Chartered Professional Accountants Canada;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Corporation; and
- (i) receive from the external auditors timely reports of:
  - (i) all critical accounting policies and practises to be used;

- (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
- (iii) other material written communications between the external auditors and management.

#### **Article 5 – Legal Compliance**

On at least an annual basis, the Audit Committee will review with the Corporation's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

#### **Article 6 - Complaints**

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action. To the extent practicable, all complaints will be kept confidential. The Corporation will not condone any retaliation for a complaint made in good faith.