

KWG RESOURCES INC.

Annual and Special Meeting of Shareholders

to be held on Tuesday, February 7, 2023

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

January 3, 2023

KWG RESOURCES INC.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE (the “Notice”) IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders (the “Meeting”) of KWG RESOURCES INC. (the “Corporation”) will be held at the offices of the Corporation’s legal counsel, Dickinson Wright LLP, 199 Bay Street, Suite 2200, Toronto, Ontario and via teleconference (further details provided below) on Tuesday, February 7, 2023 at 11:00 a.m. (local time), for the following purposes:

- (a) to receive the audited consolidated financial statements of the Corporation for the years ended December 31, 2021 and 2020 and the auditors’ report thereon;
- (b) to consider and, if deemed advisable, to pass, with or without variation, a resolution to appoint the auditors of the Corporation and to authorize the directors to fix the auditors’ remuneration and terms of engagement;
- (c) to consider and, if deemed advisable, to pass, with or without variation, a resolution to fix the current number of directors between the minimum number and maximum number at eight (8);
- (d) to consider and, if deemed advisable, to elect directors of the Corporation for the forthcoming year;
- (e) to consider and, if deemed advisable, to pass, with or without variation, a resolution (i) authorizing the Corporation to amend the Corporation’s stock option plan to change the plan from a “rolling up to 10%” stock option plan to a “fixed up to 20%” stock option plan, as described in the Management Information Circular accompanying this Notice, (ii) approving the Corporation’s stock option plan as so amended, and (iii) confirming, ratifying and approving the stock options granted under the Corporation’s stock option plan prior to the date of the Meeting; and
- (f) to transact such other business as may properly be brought before the Meeting, or any adjournment thereof.

The details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice, which is supplemental to and expressly made part of this Notice. Shareholders of record as of the close of business on January 3, 2023, the record date, will be entitled to vote at the Meeting and at any adjournment or adjournments thereof.

A form of proxy is enclosed herewith. **Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy to Computershare Investor Services Inc., Attention Proxy Department, by mail or personal delivery to 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 or by fax to 1-866-249-7775, in either case, prior to 11:00 a.m. (Toronto time) on Friday, February 3, 2023, the cut-off time for deposit of proxies prior to the Meeting, or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to such adjourned or postponed meeting. Non-registered Shareholders receiving these materials through their broker or other intermediary should complete and return the voting instruction form provided to them by their broker or other intermediary in accordance with the instructions provided therein.**

In addition to the Meeting being held at the offices of Dickinson Wright LLP as advised above, the Corporation has also elected to allow shareholders to attend and participate at the Meeting by dialling into the Meeting as detailed below. Shareholders choosing to attend the Meeting by calling into the Meeting are encouraged to vote in advance of the Meeting using the voting instruction form or the form of proxy mailed or otherwise sent to shareholders with the Meeting materials and submitting such voting instruction form or form of proxy in accordance with the instructions provided by no later than the cut-off time for deposit of proxies prior to the Meeting. Shareholders wishing to attend the Meeting by phone are encouraged to do so by calling the number below.

Details of the Meeting

Date: February 7, 2023

Time: 11:00 a.m. (Toronto Time)

Telephone Access: +1 780 666 0144 or +1 204 272 7920 or +1 647 374 4685 or +1 647 558 0588 or +1 929 436 2866 or +1 301 715 8592 or +1 646 931 3860 or 855 703 8985 Canada Toll-free or 888 788 0099 US Toll-free or 833 548 0276 US Toll-free or 0 800 456 1369 United Kingdom Toll-free or 0 800 220 0040 Netherlands Toll-free or 0 805 543 065 France Toll-free or 1800 945 157 Australia Toll-free or 0 800 202 521 South Africa Toll-free

Meeting ID: 812-7939-8089

SHAREHOLDERS AND PROXYHOLDERS WILL HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE AT THE MEETING REGARDLESS OF THEIR GEOGRAPHIC LOCATION. PARTICIPANTS SHOULD DIAL IN 5 TO 10 MINUTES PRIOR TO THE SCHEDULED START TIME AND ASK TO JOIN THE CALL.

DATED at the City of Toronto, in the Province of Ontario, as of the 3rd day of January, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS
OF KWG RESOURCES INC.**

(signed) “*Frank Smeenk*”

Frank Smeenk, Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR
SOLICITATION OF PROXIES BY MANAGEMENT
SUMMARY

The following is a summary of the matters to be considered and, in some cases, voted upon by the shareholders of KWG Resources Inc. (the “**Corporation**”) (collectively, the “**Shareholders**”) at the annual and special meeting of Shareholders and any adjournment thereof (the “**Meeting**”) and certain other information contained in this Management Information Circular (the “**Circular**”). This summary is provided for convenience only and the information in this summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in the Circular.

Meeting

In addition to the Meeting being held at the offices of Dickinson Wright LLP, Suite 2200, 199 Bay Street, Toronto, Ontario, the Corporation has also elected to allow shareholders to attend and participate at the Meeting by dialling into the Meeting as detailed below. Shareholders choosing to attend the Meeting by calling into the Meeting are encouraged to vote in advance of the Meeting using the voting instruction form or the form of proxy mailed or otherwise sent to shareholders with the Meeting materials and submitting such voting instruction form or form of proxy in accordance with the instructions provided by no later than 11:00 a.m. (Toronto time) on Friday, February 3, 2023, the cut-off time for deposit of proxies prior to the Meeting. Shareholders wishing to attend the Meeting by phone are encouraged to do so by calling the number below.

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Record Date

The Record Date for determining shareholders entitled to receive notice of and to vote at the Meeting is the close of business on January 3, 2023.

(a) **Purposes of the Meeting**

(b) The purposes of the Meeting are as follows:

(c) to receive and consider the audited consolidated financial statements of the Corporation for the years ended December 31, 2021 and 2020;

(d) to consider and, if deemed advisable, to pass, with or without variation, a resolution to appoint the auditors of the Corporation and to authorize the directors to fix the auditors’ remuneration and terms of engagement;

to consider and, if deemed advisable, to pass, with or without variation, a resolution to fix the current number of directors between the minimum number and maximum number at eight (8);

to consider and, if deemed advisable, to elect directors of the Corporation for the forthcoming year;

(g) to consider and, if deemed advisable, to pass, with or without variation, a resolution (i) authorizing the Corporation to amend the Corporation’s stock option plan to change the plan from a “rolling up to 10%” stock option plan to a “fixed

up to 20%” stock option plan, as described in this Circular, (ii) approving the Corporation’s stock option plan as so amended, and (iii) confirming, ratifying and approving the stock options granted under the Corporation’s stock option plan prior to the date of the Meeting; and

to transact such other business as may properly be brought before the Meeting, or any adjournment thereof.

Shareholder Approvals Required

Unless otherwise noted under “*Particulars Of Matters To Be Acted Upon At The Meeting*”, and unless otherwise required by law, every question and every resolution coming before the Meeting will be determined by a majority of votes duly cast on the matter.

(e)

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation by the management of the Corporation of proxies to be used at the annual and special meeting of Shareholders (sometimes referred to as the “Meeting”) to be held on Tuesday, February 7, 2023, at 11:00 a.m. (Toronto time) and any adjournment thereof, for the purposes set forth in the notice (the “Notice”) of Meeting accompanying this Circular.

All costs of this solicitation of proxies by management will be borne by the Corporation. It is expected that the solicitation will be made primarily by mail. However, officers, directors, employees and agents of the Corporation may also solicit proxies by telephone, facsimile, e-mail or in person.

The information contained herein is given as of January 3, 2023, unless otherwise noted.

This Circular describes the matters to be acted on at the Meeting and the procedures for attending or appointing proxies to vote at the Meeting.

PART ONE

VOTING INFORMATION AND PRINCIPAL SHAREHOLDERS APPOINTMENT AND REVOCATION OF PROXIES

REGISTERED SHAREHOLDERS

If you are a registered shareholder, you can vote your shares at the Meeting exclusively by completing the form of proxy included with this Circular and returning the completed proxy in accordance with the instructions given below. Due to the COVID-19 pandemic and issues related to the verification of the shareholder identity via teleconference, in-person voting will not be permitted at the Meeting.

Appointment of Proxy

A form of proxy is enclosed and you are asked to sign, date and return the form of proxy in the envelope provided. The persons named in the enclosed form of proxy are directors, officers or other individuals appointed by the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person (who need not be a shareholder of the Corporation), other than the persons designated in the enclosed form of proxy, to vote for you and to attend and speak on your behalf at the Meeting** Such right may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the person to be appointed or by completing another proper form of proxy. It is important to ensure that any other person you appoint will be attending the Meeting in person or by calling in to the teleconference and will represent you to the Meeting. Proxyholders should, upon joining the Meeting, present themselves to a representative of the scrutineers at the Meeting.

The proxy must be executed by the shareholder or his attorney duly authorized in writing or, if the shareholder is a corporation, by instrument in writing executed by a duly authorized signatory of such corporation (under corporate seal if so required by the rules and laws governing the corporation). If the proxy is executed by a duly authorized attorney or authorized signatory of the shareholder, the proxy should reflect such person’s capacity following his or her signature. At the request of the Corporation, an appropriate instrument evidencing such person’s qualifications and authority to act may be required.

Depositing Proxy

A proxy to be exercised at the Meeting must be mailed to or deposited with the Corporation's registrar and transfer agent, **Computershare Trust Company of Canada**, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 Attention: Proxy Department, such that it is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the commencement of the Meeting or any adjournment thereof, in default of which it may be treated as invalid, although the Chair of the Meeting has the discretion to accept proxies filed less than 48 hours prior to the commencement of the Meeting, or any adjournment thereof.

A proxy is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

NON-REGISTERED OR BENEFICIAL SHAREHOLDERS

Your shares may not be registered in your name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or stock broker, or trustees or administrators of self-administered registered savings plans, registered retirement savings funds, registered education savings plans and similar plans, or a clearing agency in which an intermediary participates). If your shares are listed in an account statement provided to you by a broker, then it is likely that those shares are not registered in your name but under the broker's name or under the name of an agent of the broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited which acts as the nominee for many Canadian brokerage firms) and, in the United States, under the name of Cede & Co. (the registration name for The Depository Trust Company, which acts as depository for many U.S. brokerage firms and custodian banks).

If your shares are registered in the name of an intermediary or a nominee, you are a non-registered or beneficial shareholder (a "**beneficial shareholder**"). Beneficial shareholders should be aware that only registered shareholders whose names appear on the share register of the Corporation, or the persons they appoint as their proxies, are entitled to vote at the Meeting. The purpose of the procedures described below is to permit non-registered shareholders to direct the voting of the shares they beneficially own. There are two categories of beneficial shareholders. Beneficial shareholders who have provided instructions to an intermediary that they do not object to the intermediary disclosing ownership information about them are considered to be Non-Objecting Beneficial Owners ("**NOBOs**"). Beneficial shareholders who have objected to an intermediary providing ownership information are Objecting Beneficial Owners ("**OBOs**").

The Corporation has distributed copies of this Circular, the accompanying form of proxy and the Notice, (collectively, the "**Meeting Materials**") directly to registered shareholders and either directly to the NOBOs or to intermediaries for distribution to NOBOs together with the intermediary's form of proxy or voting instruction form. The Corporation has not distributed copies of the Meeting Materials to intermediaries for distribution to the OBOs. Unless you have waived your rights to receive the Meeting Materials, the Corporation is required to deliver them to you as a beneficial shareholder of the Corporation and to seek your instructions as to how to vote your shares.

These Meeting Materials are being sent to both registered and beneficial shareholders of the securities. If you are a non-registered owner, and if the Corporation or its transfer agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding shares on your behalf.

If the Corporation or its transfer agent has sent these materials directly to you, as a beneficial shareholder, the Corporation (and not the intermediary holding shares on your behalf) has assumed responsibility for (i) delivering these materials to the beneficial shareholder, and (ii) executing the beneficial shareholder's proper voting instructions.

If you are a beneficial shareholder who has received these proxy-related materials directly from the Corporation or transfer agent, please return your voting instructions as specified in the request for voting instructions.

Notice and Access

Recent amendments to applicable securities legislation allow electronic delivery of the Meeting Materials and/or delivery of the Meeting Materials only to those who request them (“**Notice and Access**”). The Corporation will not be sending the Meeting Materials to registered shareholders or beneficial shareholders using Notice and Access for the meeting.

VOTING PROCEDURE FOR BENEFICIAL SHAREHOLDERS

Brokers or agents can only vote the shares of the Corporation if instructed to do so by the beneficial shareholder.

Every broker or agent has its own mailing procedure and provides its own instructions. Typically, a beneficial shareholder will be given a voting instruction form which must be completed and signed by the beneficial shareholder in accordance with the instructions provided by the intermediary. The purpose of this form is to seek instructions from the beneficial shareholder on how to vote on behalf of or otherwise represent the beneficial shareholder. A beneficial shareholder cannot use this form to vote or otherwise represent shares in person at the Meeting. If you are a beneficial shareholder, you *must* follow the instructions provided by the intermediary in order to ensure that your shares are voted or otherwise represented at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a voting instruction form in lieu of the proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation’s proxy to vote your shares and to represent you at the Meeting. You have the right to appoint a person (who need not be a beneficial shareholder of the Corporation) other than the persons designated in the voting instruction form to vote your shares and to represent you at the Meeting. To exercise this right, you should insert the name of your 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 be 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 shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, you cannot use it to vote shares directly at the Meeting – the instruction form must be returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the shares voted or otherwise represented at the Meeting.

Occasionally, a beneficial shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of shares owned by the beneficial shareholder but is otherwise not completed. This form of proxy does not need to be signed by you. In this case, you can complete and deliver the proxy as described above under the heading “*Registered Shareholders*”.

Beneficial shareholders should carefully follow the instructions of their intermediary on the forms they receive, including those regarding when and where the form of proxy or voting instruction form is to be delivered, and contact their intermediaries promptly if they need assistance.

OBJECTING BENEFICIAL OWNERS – OBOS

If you are an OBO, you cannot use the mechanisms described above for registered shareholders and must follow the instructions provided by the intermediary in order to ensure that your shares are voted or you are otherwise represented at the Meeting.

NON-OBJECTING BENEFICIAL OWNERS – NOBOS

If you, as a NOBO, receive the Corporation’s form of proxy, you may complete and deliver the proxy as described above under the heading “*Registered Shareholders*”. If you, as a NOBO, receive the intermediary’s voting instruction form, follow the instructions provided by the intermediary with respect to completing the form in order to ensure that your shares are voted or you are otherwise represented at the Meeting.

Beneficial Shareholders – Attendance at Meeting

Although as a beneficial shareholder you may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of your broker or other intermediary, you may vote your shares as proxyholder for your broker or other

intermediary and you may attend the Meeting in that capacity. If you wish to attend at the Meeting and indirectly vote your shares as proxyholder for your broker or other intermediary, you should enter your own name in the blank space on the voting instruction form provided to you, complete the voting instructions and return the voting instruction form to your broker or other intermediary in accordance with the instructions provided by your broker or other intermediary, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting. However, as in-person voting will not be permitted at the Meeting, in order to vote your shares you must complete the voting instruction form with your voting instructions and return it to your broker or other intermediary in accordance with the instructions provided by your broker or other intermediary, well in advance of the Meeting.

Revocation of Proxies and Voting Instruction Forms

A registered shareholder who executes and returns a proxy may revoke it (to the extent it has not been exercised) by depositing a written statement to that effect executed by the shareholder or his, her or its attorney duly authorized in writing or by electronic signature or by transmitting by telephonic or electronic means, a revocation that is signed by electronic signature or, if the shareholder is a corporation, by written instrument executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation:

- (a) with the Corporation's registrar and transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, at any time such that it is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the commencement of the Meeting or any adjournment thereof, in default of which it may be treated as invalid, although the Chair of the Meeting has the discretion to accept proxies filed less than 48 hours prior to the commencement of the Meeting, or any adjournment thereof or at any time prior to a vote being taken in reliance on such proxy ;
- (b) with the Chair of the Meeting provided that that it is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the commencement of the Meeting or any adjournment thereof, in default of which it may be treated as invalid, although the Chair of the Meeting has the discretion to accept proxies filed less than 48 hours prior to the commencement of the Meeting, or any adjournment thereof, or at any time prior to a vote being taken in reliance on such proxy; or
- (c) in any other manner permitted by law.

A registered shareholder who has revoked a proxy may submit another proxy by delivering another properly executed form of proxy bearing a later date and depositing it as described above and under the heading "*Depositing Proxy*".

A beneficial shareholder may revoke a voting instruction or may revoke a waiver of the right to receive the Meeting Materials or a waiver of the right to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on any such revocation that is not received by the intermediary well in advance of the Meeting.

VOTING OF SHARES BY PROXY

- (a) The proxyholders named in the accompanying form of proxy shall and will vote the shares represented thereby on any ballot in accordance with the shareholder's direction set forth in the proxy. **IN THE ABSENCE OF SUCH DIRECTION, THE**
- (b) **SHARES REPRESENTED THEREBY WILL BE VOTED:**
- (c) **FOR THE RE-APPOINTMENT OF MCGOVERN HURLEY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS, AS THE AUDITORS OF THE CORPORATION AND FOR THE AUTHORIZATION OF THE DIRECTORS TO FIX THE REMUNERATION AND TERMS OF ENGAGEMENT OF THE AUDITORS;**
TO SET THE NUMBER OF DIRECTORS AT EIGHT (8);
FOR THE ELECTION OF THE MANAGEMENT NOMINEE DIRECTORS NAMED IN THIS CIRCULAR;
AND

FOR (I) AUTHORIZING THE CORPORATION TO AMEND THE CORPORATION'S STOCK OPTION PLAN TO CHANGE THE PLAN FROM A "ROLLING UP TO 10%" STOCK OPTION PLAN TO A "FIXED UP TO 20%" STOCK OPTION PLAN, AS DESCRIBED IN THIS CIRCULAR, (II) APPROVING THE CORPORATION'S STOCK OPTION PLAN AS SO AMENDED, AND (III) CONFIRMING, RATIFYING AND APPROVING THE STOCK OPTIONS GRANTED UNDER THE CORPORATION'S STOCK OPTION PLAN PRIOR TO THE DATE OF THE MEETING;

(d) all as discussed below.

The persons named in the enclosed form of proxy will vote, or withhold from voting, the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such directions, such shares will be voted in favour of the matters specified in the Notice.**

An intermediary may not vote, or give a proxy authorizing another person to vote, except in accordance with voting instructions received from the non-registered shareholder who beneficially owns the shares.

EXERCISE OF DISCRETION BY PROXY

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournments thereof. At the date of this Circular, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **If amendments or variations to matters identified in the Notice or if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matters.**

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year or any associate or affiliate of any such director, executive officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS

The directors of the Corporation have fixed January 3, 2023 (the "**Record Date**"), at the close of business, as the record date for the determination of the shareholders entitled to receive notice of the Meeting and to vote thereat and at any adjournment thereof.

The authorized capital of the Corporation consists of an unlimited number of subordinate voting shares (each a "**Subordinate Voting Share**") and an unlimited number of multiple voting shares (each a "**Multiple Voting Share**"). As of the date of this Circular, 1,182,088,332 Subordinate Voting Shares and 8,105,664 Multiple Voting Shares are issued and outstanding. All holders of Subordinate Voting Shares as of the close of business on the Record Date will be entitled to one (1) vote per Subordinate Voting Share at the Meeting. Holders of Multiple Voting Shares as of the close of business on the Record Date will be entitled to one hundred (100) votes per Multiple Voting Share at the Meeting.

To the knowledge of the directors and officers of the Corporation, the only persons, firms or corporations who own, as of the date hereof, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, are as follows:

Shareholder Name	Number and Class of Voting Securities	Percentage of Outstanding Shares of the Applicable Class
Frank Smeenck	1,740,421 Multiple Voting Shares	21.47% of the Multiple Voting Shares

The directors and officers of the Corporation own or control, directly or indirectly, in the aggregate 48,724,839 Subordinate Voting Shares representing approximately 4.12% of the issued and outstanding Subordinate Voting Shares of the Corporation

and 2,443,837 Multiple Voting Shares representing approximately 30.15% of the issued and outstanding Multiple Voting Shares of the Corporation.

PART TWO

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The audited consolidated financial statements of the Corporation for the years ended December 31, 2021 and December 31, 2020, together with the report of the auditors thereon, will be presented to the shareholders at the Meeting. These documents are available upon request on SEDAR at www.sedar.com.

2. Appointment of Auditors

Management proposes the re-appointment of McGovern Hurley LLP, Chartered Professional Accountants and Licensed Public Accountants, as auditors of the Corporation. Their mandate will continue until the close of the next annual meeting of shareholders or until their successors are appointed. The directors will be authorized to fix the remuneration and terms of engagement of the auditors. McGovern Hurley LLP were first appointed auditors of the Corporation in 2012.

To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of management will be voted in favour of the appointment of McGovern Hurley LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors to fix the auditors' terms of engagement and remuneration, unless the shareholder has specified in a proxy that his, her or its shares are to be withheld from voting in respect thereof.

3. Authorization to Fix the Current Numbers of Directors at Eight (8)

The Articles of the Corporation provide that the Corporation shall have a minimum three (3) and a maximum of twenty (20) directors and provide that the directors have the discretion to fix the number of directors from time to time within the minimum and maximum number of directors provided by the Articles. It is proposed that the shareholders fix the current number of directors between the minimum number and the maximum number at eight (8).

In this regard the following resolution will be proposed:

“BE IT RESOLVED THAT the current number of directors within the minimum and maximum as provided in the Articles of the Corporation is hereby fixed at eight (8) unless and until changed by the shareholders or by the directors in accordance with the Articles and the *Canada Business Corporations Act*.”

The Board is recommending that shareholders vote FOR the approval of fixing the current number of directors at eight (8). Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the approval to fix the current number of directors at eight (8).

To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of management will be voted in favour of the resolution to fix the number of directors, unless the shareholder has specified in a proxy that his, her or its shares are to be withheld from voting in respect thereof.

4. Election of Directors

The Board proposes to nominate the eight (8) persons named below for election as directors of the Corporation. Unless otherwise directed, it is the intention of management nominees to vote proxies in the accompanying form of proxy for these eight (8) nominees. Each director will hold office until the next annual meeting of shareholders or until the election of his or her successor, unless he or she resigns or his or her office becomes vacant by removal, death or other cause or is replaced in accordance with the by-laws of the Corporation.

The following table sets out the name of each of the persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by such person, his or her municipality of residence and principal occupation, the year in which such person became a director of the Corporation, and the number of Subordinate Voting Shares

and Multiple Voting Shares that such person has advised are beneficially owned, controlled or directed, directly or indirectly, by such person as at the date indicated below. The information as to residence, principal occupation and number of shares beneficially owned, or controlled or directed, directly or indirectly, by the nominees was provided by the respective nominees.

Name, Position with the Corporation and Province/State of Residence	Principal Occupation and, if not at present a director, Occupation during the past five years	Date Became a Director of the Corporation	Number of Shares beneficially owned, directly or indirectly, or over which control and direction are exercised⁽¹⁾
FRANK C. SMEENK ⁽²⁾ Chief Executive Officer and Director <i>Ontario, Canada</i>	Chief Executive Officer of the Corporation	April 14, 1998	10,683,446 Subordinate Voting Shares (of which he holds 9,423,446 directly and exercises control over 1,260,000) 1,740,421 Multiple Voting Shares
DOUGLAS M. FLETT ⁽³⁾ Chairman and Director <i>Ontario, Canada</i>	Corporate director, mining company financial consultant	January 25, 2006	5,325,000 Subordinate Voting Shares (of which he holds 3,025,000 directly and exercises control over 2,300,000) 65,319 Multiple Voting Shares
DONALD SHELDON ⁽²⁾⁽³⁾⁽⁴⁾ Director and Secretary <i>Ontario, Canada</i>	Partner of <i>Dickinson Wright LLP</i> , a law firm, since 2014	April 8, 2014	4,715,357 Subordinate Voting Shares (of which he holds 3,242,857 directly and exercises control over 1,252,500) 117,330 Multiple Voting Shares
BRUCE REID ⁽³⁾ Director <i>Ontario, Canada</i>	Chief Executive Officer of 55 North Mining Inc., a public junior mining company and, prior thereto, Chief Executive Officer of Bunker Hill Mining Corp. (formerly, Liberty Silver Corp.) from 2017 to October 2018, Executive Chairman of Carlisle Goldfield Limited from 2014 to 2016 and President and Chief Executive Officer of Carlisle Goldfield Limited from 2010 to 2014, each a public junior mining company	September 6, 2016	5,047,619 Subordinate Voting Shares
FIONA BLONDIN Director <i>Ontario, Canada</i>	Vice President, Indigenous Strategy, Cormorant Utility Services	September 21, 2021	Nil
MEGAN McELWAIN President and Chief Operating Officer and Director Nominee <i>Ontario, Canada</i>	President and Chief Operating Officer of the Corporation since January 1, 2022	Nominee	550,000 Subordinate Voting Shares and 2,262 Multiple Voting Shares
RAJESH SHARMA Director Nominee <i>Quebec, Canada</i>	President and Chief Executive Officer of Fancamp Exploration Ltd., executive in Residence, Investissement Québec, strategic advisor, Chief Executive Officer and Managing Director of Tata Steel Mineral Canada	Nominee	Nil ⁽⁵⁾
CORINA MOORE Director Nominee <i>Ontario, Canada</i>	President and Chief Executive Officer of the Ontario Northland Transportation Commission (from October 2014 to October 2022)	Nominee	Nil

Notes:

- (1) As verified on the System of Electronic Disclosure by Insiders as of January 3, 2023.
- (2) Member of the Governance and Nominating Committee.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.

- (5) Mr. Sharma is the President and Chief Executive Officer of Fancamp Exploration Ltd. (“**Fancamp**”). Fancamp holds 4,480,000 Subordinate Voting Shares of the Corporation. See also “*Interest of Informed Persons in Material Transactions*” for a summary of the transaction between the Corporation and Fancamp which closed on September 1, 2022.

All of the above-mentioned nominees are currently directors of the Corporation and have been since the date indicated beside their respective names except Megan McElwain, Rajesh Sharma and Corina Moore.

Megan McElwain is and has been the President and Chief Operating Officer of the Corporation since January 1, 2022. Ms. McElwain earned her B.A. in Communications at Ryerson University in 2000. Throughout her career Megan produced content for Fox Television in Los Angeles, A&E Television Networks in New York and then Alliance Atlantis, CTV News, Discovery Channel, BBC, National Geographic and Global News from Toronto. In 2008, Megan founded McElwain & Company, a marketing firm in downtown Toronto that quickly distinguished itself as the go-to agency for brands from GreatWest Life, MNP, Price Waterhouse Coopers, PCL, Nestle Canada and GAP Inc. In 2018, Megan joined the Fraser Institute, an independent public policy research and education organization, as Director of Development. The Canadian Chamber of Commerce offered Megan the Vice President and General Manager position in 2020.

On September 1, 2022, the Corporation and Fancamp Exploration Ltd. (“**Fancamp**”) (TSXV: FNC) closed the sale (the “**Transaction**”) by Fancamp to the Corporation of all of the right, title and interests beneficially owned by Fancamp in and to the “Koper Lake-McFaulds” mineral properties, comprised of four (4) “legacy” mining claims that cover approximately four square kilometers, overlying the axis of the Ring of Fire intrusion, host to all the known chromite deposits located within the “Ring of Fire” in the Province of Ontario. Additional information with respect to the Transaction can be found in the joint press release of Fancamp and the Corporation dated July 21, 2022. The terms of the Transaction provided that, at any time while there is any amount outstanding under the secured convertible promissory note issued by the Corporation to Fancamp as part of the consideration paid by the Corporation to Fancamp or while Fancamp holds at least 5% of the outstanding Multiple Voting Shares of the Corporation (calculated on a non-diluted basis), Fancamp will have the right to nominate one member to the board of directors of the Corporation, and the Corporation shall use all commercially reasonable efforts to facilitate such director nominee’s election to the board of directors of the Corporation. Such nominee of Fancamp for the purpose of the Meeting is Rajesh Sharma. Mr. Sharma is a business leader with over 25 years of global experience in mining, mineral exploration, metals and international trade. His executive experience includes advancing exploration and mining projects with focus on investments, acquisitions, joint ventures, partnerships and running global businesses. Mr. Sharma is currently the President, Chief Executive Officer and a director of Fancamp. He is on the Board of EDM Resources Inc. and NeoTerrex Corporation. Prior to this, he worked with Investissement Québec (“IQ”) as an Executive in Residence, advising IQ on foreign direct investment, exports and partnerships. From 2011 to 2019, Mr. Sharma worked with Tata Steel Mineral Canada, a joint venture among Tata Steel, New Millennium Iron and Ressources Québec, serving as Chief Executive Officer until June 2018 and then as a strategic advisor to the board until May 2019. He also served as Board member of Société Ferroviaire et Portuaire de Pointe Noire, a PPP with Quebec government and mining companies, CEO and Board Member of Black Ginger 461 Pty Ltd, investment arm of Tata for mineral projects in Africa and Board member of exploration company Tata Steel Cote D’Ivoire. Mr. Sharma has a bachelor’s in Engineering and postgraduate degree in Business Management. He was granted ICD.D designation by the Institute of Corporate Directors after completing the ICD – Rotman Directors’ Education Program in 2019.

Corina Moore was President and Chief Executive Officer of the Ontario Northland Transportation Commission (“**ONTC**”) from October 2014 to October 2022. ONTC, or simply Ontario Northland, is a Crown agency of the Government of Ontario responsible for providing transportation services for passengers and goods in northern Ontario. ONTC operates freight and passenger services in northern Ontario through its Ontario Northland Railway and Ontario Northland Motor Coach services. Ms. Moore advocates for integrated transportation services that connect people and businesses, including Northeastern passenger rail connecting Toronto to the Far North and fostering strong partnerships with First Nations leaders to provide reliable transportation and employment. Ms. Moore is a graduate of Waterloo University in Systems Design Engineering and Business Administration and Management. Prior to joining Ontario Northland in 2005, Ms. Moore held senior positions in Telecom and Engineering/Process Automation.

Directors to be elected will be the eight nominees receiving the greatest number of votes cast on the election and those so elected will hold office until the next annual meeting of shareholders or until the directors’ respective successors are duly elected or appointed. **Except where authority to vote on the election of directors is withheld in a form of proxy, it is the intention of management nominees in proxies received for the Meeting to vote FOR the election of the nominees whose names are here above set forth.**

Management is not presently aware of any of the nominees who will be unwilling to serve as a director if elected but in the event that, prior to the Meeting, any vacancies occur in the slate of nominees submitted herewith, the enclosed form of proxy confers discretionary authority upon the persons named therein to vote for the election of any other eligible person proposed by the board of directors of the Corporation (the “Board”) or otherwise at the Meeting, unless instructions have been given to refrain from voting with respect to the election of directors.

5. Amendments to Stock Option Plan

The Corporation’s current stock option plan (the “**Plan**”) was approved by the shareholders of the Corporation in 2013 and amended at the special meeting of shareholders of the Corporation held on April 21, 2017 following the re-classification of the common shares of the Corporation into Subordinate Voting Shares effective as of February 14, 2017. The Plan was further amended on September 11, 2018 to include references to the Corporation’s Multiple Voting Shares and their exchangeability with Subordinate Voting Shares and then on September 21, 2021 to reflect that change in the exchange ratio from 300:1 to 100:1 between the Subordinate Voting Shares and Multiple Voting Shares following the subdivision of the Multiple Voting Shares. The purpose of the Plan is to attract, retain and motivate directors, officers, employees and consultants of the Corporation and its subsidiaries and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options (the “**Options**”), to acquire a proprietary interest in the Corporation. Further details regarding the Plan are found in this Circular under the heading “*Stock Option Plans and Other Incentive Plans*”.

Currently, Options to purchase 1,147,312 Multiple Voting Shares (if all Options to purchase Subordinate Voting Shares are converted to and described as Options to purchase Multiple Voting Shares) of the Corporation are outstanding and unexercised under the Plan and a total of 845,337 Options to purchase Multiple Voting Shares are available for future grants under the Plan. All such Options are subject to the terms of the Plan.

The Plan is administered by the Board and its provisions include limits on the number of Options that may be granted. These limits currently provide for a “rolling up to 10%” stock option plan, whereby the number of Options that may be granted under the Plan at any time is restricted to up to 10% of the number of Subordinate Voting Shares of the Corporation outstanding at the time of such grant (calculated on the basis that all Multiple Voting Shares then outstanding being deemed to be converted into Subordinate Voting Shares). The Corporation wishes to amend the Plan to change the Plan from a “rolling up to 10%” stock option plan to a “fixed up to 20%” stock option plan, whereby the maximum number of Options that may be granted under the Plan is fixed at 20% of the number of Subordinate Voting Shares of the Corporation outstanding at the “shareholder approval date” (calculated on the basis that all Multiple Voting Shares then outstanding being deemed to be converted into Subordinate Voting Shares), with “shareholder approval date” meaning the date on which the shareholders of the Corporation most recently approved the Plan or any amendment, renewal or extension of the Plan. These proposed amendments to the Plan are highlighted by blacklining in the blacklined copy of the Plan attached to this Circular as Schedule “B”.

Having regard to the policies of the Canadian Securities Exchange and what the Board considers to be good practice, shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without variation, a resolution (a) authorizing the Corporation to amend the Plan to change the Plan from a “rolling up to 10%” stock option plan to a “fixed up to 20%” stock option plan as described above, (b) approving the Plan as so amended, and (c) confirming, ratifying and approving the Options granted under the Plan prior to the date of the Meeting. The resolution shareholders will be asked to approve at the Meeting is as follows:

“WHEREAS the Corporation wishes to amend its stock option plan (the “**Plan**”) to change the Plan from a “rolling up to 10%” stock option plan to a “fixed up to 20%” stock option plan;

AND WHEREAS such amendments proposed to be made to the Plan (the “**Proposed Amendments**”) are highlighted by blacklining on the blacklined copy of the Plan attached as Schedule “B” to the management information circular of the Corporation dated January 3, 2023 sent to shareholders of the Corporation in respect of the annual and special meeting of shareholders held on February 7, 2023 (the “**Meeting**”);

NOW THEREFORE BE IT RESOLVED THAT:

1. the Corporation be and is hereby authorized to amend the Plan in accordance with the Proposed Amendments effective as of February 7, 2023;

2. the “shareholder approval date” for the Plan be and is hereby set at the date of the Meeting, namely February 7, 2023, until changed in accordance with the terms of the Plan;
3. the Plan as amended by the Proposed Amendments, and the granting of stock options from time under the Plan as so amended, be and are hereby approved;
4. all grants of stock options under the Plan prior to the date of the Meeting be and are hereby confirmed, ratified and approved;
5. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation or has received the approval of all applicable exchange and regulatory authorities, to the extent required, the board of directors of the Corporation may, in its sole discretion, determine not to proceed with this resolution or may revoke this resolution at any time, without further approval of the shareholders of the Corporation; and
6. any director or officer of the Corporation be and is hereby authorized to do all things and execute and deliver all such instruments and documents as such person may determine to be necessary or desirable to give effect to this resolution and carry out the foregoing, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The Board is recommending that shareholders vote FOR the above resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the above resolution. The above resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the matters set forth in the resolution, without further approval of the shareholders. In particular, if the above resolution is presented to the Meeting and approved, the Board may thereafter determine not to proceed with the amendments to the Plan as set forth in the resolution.

6. Other Business

While management of the Corporation is not aware of any business other than that mentioned in the Notice to be brought before the Meeting for action by the shareholders, **it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, or any adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

PART THREE

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

In accordance with the provisions of applicable securities legislation, the Corporation had four “Named Executive Officers” (each an “NEO”) during the year ended December 31, 2021 namely Frank C. Smeenk, President and Chief Executive Officer (“CEO”), Thomas E. Masters, Chief Financial Officer (“CFO”), Maurice J. Lavigne, Vice-President, Exploration and Development and Tony Marquis, President and Chief Operating Office of Canada Chrome Corporation (“CCC”), a subsidiary of the Corporation, and five NEOs during the year ended December 31, 2022, namely Frank C. Smeenk, CEO, Megan McElwain, President and Chief Operating Officer, Thomas E. Masters, CFO, Maurice J. Lavigne, Vice-President, Exploration and Development and Tony Marquis, President and Chief Operating Office of CCC.

Directors’ and Named Executive Officers’ Compensation excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation or any subsidiary thereof to each NEO and each director of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation or any subsidiary thereof.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

Name and position	Year	Salary, Consulting fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	All other Compensation (\$)	Total compensation (\$)
Frank C. Smeenk Director and Chief Executive Officer	2022	\$300,000	Nil	Nil	Nil	Nil	\$300,000
	2021	\$300,000	Nil	Nil	Nil	Nil	\$300,000
	2020	\$300,000	Nil	Nil	Nil	Nil	\$300,000
Megan McElwain ⁽¹⁾ President and Chief Operating Officer	2022	\$350,000	Nil	Nil	Nil	Nil	\$350,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Thomas E. Masters ⁽²⁾ Chief Financial Officer	2022	\$181,400	Nil	Nil	Nil	Nil	\$181,400
	2021	\$163,225	Nil	Nil	Nil	Nil	\$163,225
	2020	\$106,500	Nil	Nil	Nil	Nil	\$106,500
Maurice Lavigne Vice-President	2022	\$250,000	Nil	Nil	Nil	Nil	\$250,000
	2021	\$250,000	Nil	Nil	Nil	Nil	\$250,000
	2020	\$250,000	Nil	Nil	Nil	Nil	\$250,000
Tony Marquis ⁽³⁾ President and Chief Operating Office of CCC	2022	\$840,000	Nil	Nil	Nil	Nil	\$840,000
	2021	\$840,000	Nil	Nil	Nil	Nil	\$840,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Douglas M. Flett Director	2022	Nil	Nil	\$42,000	Nil	Nil	\$42,000
	2021	Nil	Nil	\$42,000	Nil	Nil	\$42,000
	2020	Nil	Nil	\$42,000	Nil	Nil	\$42,000
Donald A. Sheldon ⁽⁴⁾ Director and Secretary	2022	Nil	Nil	\$22,000	Nil	Nil	\$22,000
	2021	Nil	Nil	\$22,000	Nil	Nil	\$22,000
	2020	Nil	Nil	\$22,000	Nil	Nil	\$22,000
Bruce Reid Director	2022	Nil	Nil	\$12,000	Nil	Nil	\$12,000
	2021	Nil	Nil	\$12,000	Nil	Nil	\$12,000
	2020	Nil	Nil	\$12,000	Nil	Nil	\$12,000
Fiona Blondin Director	2022	Nil	Nil	\$12,000	Nil	Nil	\$12,000
	2021	Nil	Nil	\$3,000	Nil	Nil	\$3,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Ms McElwain became an officer of the Corporation in January 2022. Her services as President and Chief Operating Officer are provided by her holding company, 1315923 Canada Inc.
- (2) Mr. Masters is a partner of Palmer Reed, an accounting firm which provides accounting services to the Corporation. During the fiscal year ended December 31, 2022 - \$151,450 (2021 - \$136,300 and 2020 - \$87,550) was paid to Palmer Reed, in respect of services provided by Mr. Masters. Fees paid to Palmer Reed for its support staff in respect of bookkeeping and accounting services amounted to \$29,950 for the year ended December 31, 2022 (2021 - \$26,925 and 2020 - \$18,950).

- (3) The Corporation and CCC entered into an agreement in January 2021 with Tony Marquis, President and Chief Operating Officer of CCC, whereby he may, over the two-year term of the agreement, earn \$70,000 per month, which monthly salary may, at his option, be tendered for 1/24th of a 10% interest in CCC, for the purpose of which the total value of CCC was deemed to be \$16.8 million. Alternatively, all or any part of any unpaid salary may be tendered by him for payment in Multiple Voting Shares of the Corporation at \$1.00 per share at any time on or before January 18, 2024. An aggregate of 1,680,000 Multiple Voting Shares have been reserved by the Corporation for issuance for this contingency.
- (4) Mr. Sheldon is a partner in Dickinson Wright LLP, a law firm which provides legal services to the Corporation. During the fiscal year ended December 31, 2022, \$798,420 (2021 - \$391,934 and 2020 - \$17,260) was charged by Dickinson Wright LLP in respect of services provided by Mr. Sheldon and other members and staff of that law firm. Mr. Sheldon's services as Secretary are provided by Sheldon Executive Services Inc. During the fiscal year ended December 31, 2022, \$60,000 (2021 \$60,000 and 2020 - \$30,000) was paid to Sheldon Executive Services Inc. in respect of the services provided by Mr. Sheldon.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Corporation or any subsidiary thereof in the years ended December 31, 2022 and 2021 for services provided, or to be provided, directly or indirectly, to the Corporation or any subsidiary thereof:

TABLE OF COMPENSATION SECURITIES GRANTED DURING 2022 and 2021

Name and position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class⁽¹⁾	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
Frank C. Smeenk Director and Chief Executive Officer	Options	32,835 ⁽²⁾	January 27, 2021	\$3.00 ⁽²⁾	\$1.00	\$4.90	January 27, 2026
	Options	2,166 ⁽³⁾	June 17, 2021	\$7.95 ⁽³⁾	\$2.65	\$4.90	June 17, 2026
Megan McElwain President and Chief Operating Officer	Options	3,335 ⁽²⁾	January 27, 2021	\$3.00 ⁽²⁾	\$1.00	\$4.90	January 27, 2026
	Options	2,334 ⁽³⁾	June 17, 2021	\$7.95 ⁽³⁾	\$2.65	\$4.90	June 17, 2026
Thomas E. Masters Chief Financial Officer	Options	27,150 ⁽²⁾	January 27, 2021	\$3.00 ⁽²⁾	\$1.00	\$4.90	January 27, 2026
	Options	6,167 ⁽³⁾	June 17, 2021	\$7.95 ⁽³⁾	\$2.65	\$4.90	June 17, 2026
Maurice Lavigne Vice-President	Options	27,150 ⁽²⁾	January 27, 2021	\$3.00 ⁽²⁾	\$1.00	\$4.90	January 27, 2026
	Options	6,167 ⁽³⁾	June 17, 2021	\$7.95 ⁽³⁾	\$2.65	\$4.90	June 17, 2026
Tony Marquis President and Chief Operating Office of CCC	N/A	Nil	N/A	Nil	Nil	Nil	N/A
Douglas M. Flett Director	Options	32,835 ⁽²⁾	January 27, 2021	\$3.00 ⁽²⁾	\$1.00	\$4.90	January 27, 2026
	Options	23,499 ⁽³⁾	June 17, 2021	\$7.95 ⁽³⁾	\$2.65	\$4.90	June 17, 2026
Donald A. Sheldon Director and Secretary	Options	32,835 ⁽²⁾	January 27, 2021	\$3.00 ⁽²⁾	\$1.00	\$4.90	January 27, 2026
	Options	25,499 ⁽³⁾	June 17, 2021	\$7.95 ⁽³⁾	\$2.65	\$4.90	June 17, 2026

Name and position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class ⁽¹⁾	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
Bruce Reid Director	Options	32,835 ⁽²⁾	January 27, 2021	\$3.00 ⁽²⁾	\$1.00	\$4.90	January 27, 2026
	Options	2,166 ⁽³⁾	June 17, 2021	\$7.95 ⁽³⁾	\$2.65	\$4.90	June 17, 2026
Fiona Blondin Director	Options	120,961	Nov. 29, 2022	\$3.20	\$2.99	\$2.25	Nov. 29, 2027

Notes:

1. The stock options are exercisable into Multiple Voting Shares.
2. Following subdivision of the Multiple Voting Shares effective as of November 6, 2021, each stock option is exercisable into three Multiple Voting Shares at a price of \$1.00 per share.
3. Following subdivision of the Multiple Voting Shares effective as of November 6, 2021, each stock option is exercisable into three Multiple Voting Shares at a price of \$2.65 per share.

Outstanding option-based awards

The following table sets forth the total amount of compensation securities, and underlying securities, held by each named executive officer or director on December 31, 2022.

Name and Position	Compensation securities ⁽¹⁾ (#)	Exercise price	Expiry date month-day-year
Frank C. Smeenk Chief Executive Officer and Director	32,835 ⁽²⁾	\$3.00 ⁽²⁾	01-27-2026
	2,166 ⁽³⁾	\$7.95 ⁽³⁾	06-17-2026
Megan McElwain President and Chief Operating Officer	3,335 ⁽²⁾	\$3.00 ⁽²⁾	01-27-2026
	2,334 ⁽³⁾	\$7.95 ⁽³⁾	06-17-2026
Thomas E. Masters Chief Financial Officer	27,150 ⁽²⁾	\$3.00 ⁽²⁾	01-27-2026
	6,167 ⁽³⁾	\$7.95 ⁽³⁾	06-17-2026
Maurice Lavigne Vice-President	27,150 ⁽²⁾	\$3.00 ⁽²⁾	01-27-2026
	6,167 ⁽³⁾	\$7.95 ⁽³⁾	06-17-2026
Tony Marquis President and Chief Operating Office of CCC	Nil	Nil	N/A
Douglas M. Flett Director	32,835 ⁽²⁾	\$3.00 ⁽²⁾	01-27-2026
	23,499 ⁽³⁾	\$7.95 ⁽³⁾	06-17-2026
Donald A. Sheldon Director and Secretary	32,835 ⁽²⁾	\$3.00 ⁽²⁾	01-27-2026
	25,499 ⁽³⁾	\$7.95 ⁽³⁾	06-17-2026
Bruce Reid Director	2,166 ⁽³⁾	\$7.95 ⁽³⁾	06-17-2026
Fiona Blondin Director	120,961	\$3.20	11-29-2027

Note:

1. The compensation security is an option that gives the right to purchase one Subordinate Voting Share or one Multiple Voting Share at the exercise price until the expiry date.
2. Following subdivision of the Multiple Voting Shares effective as of November 6, 2021, each stock option is exercisable into three Multiple Voting Shares at a price of \$1.00 per share.
3. Following subdivision of the Multiple Voting Shares effective as of November 6, 2021, each stock option is exercisable into three Multiple Voting Shares at a price of \$2.65 per share.

None of the directors or NEOs exercised any compensation securities, being solely stock options, during the year ended December 31, 2021. During the year ended December 31, 2022, the following options were exercised by NEOs and directors – 32,835 Options were exercised by Bruce Reid on July 27, 2022 to purchase an aggregate of 98,505 Multiple Voting Shares at an exercise price of \$1.00 per share.

Stock Option Plans and Other Incentive Plans

The Plan was approved by the shareholders in 2013 and amended at the special meeting of shareholders held on April 21, 2017 following the re-classification of the common shares of the Corporation into Subordinate Voting Shares effective as of February 14, 2017. The Plan was further amended on September 11, 2018 to include references to the Corporation's Multiple Voting Shares and their exchangeability with Subordinate Voting Shares and then on September 21, 2021 to reflect that change in the exchange ratio from 300:1 to 100:1 between the Subordinate Voting Shares and Multiple Voting Shares following the subdivision of the Multiple Voting Shares. The purpose of the Plan is to attract, retain and motivate directors, officers, employees and consultants of the Corporation and its subsidiaries and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options (the "Options"), to acquire a proprietary interest in the Corporation.

The Plan is administered by the Board and its main provisions are as set out below. The following summary does not take into account the Proposed Amendments, which Proposed Amendments are highlighted below:

1. Options may be granted in respect of Subordinate Voting Shares or Multiple Voting Shares or any combination thereof.
2. The aggregate number of Subordinate Voting Shares that may be reserved for issuance under the Plan may not exceed 10% of the aggregate of (a) the number of Subordinate Voting Shares issued and outstanding plus (b) the number of Multiple Voting Shares issued and outstanding multiplied by 100, minus (c) the number of Options outstanding on Multiple Voting Shares multiplied by 100 (see section 4.1 of the blacklined copy of the Plan attached hereto as Schedule "B" with respect to the Proposed Amendments to the foregoing provisions which shareholders will be asked at the Meeting to authorize).
3. The aggregate number of Multiple Voting Shares that may be reserved for issuance under the Plan may not exceed 10% of the aggregate of (a) the number of Multiple Voting Shares issued and outstanding plus (b) the number of Subordinate Voting Shares issued and outstanding divided by 100, minus (c) the number of Options outstanding on Subordinate Voting Shares divided by 100 (see section 4.1 of the blacklined copy of the Plan attached hereto as Schedule "B" with respect to the Proposed Amendments to the foregoing provisions which shareholders will be asked at the Meeting to authorize).
4. The option price of Subordinate Voting Shares which are the subject of any option shall in no circumstances be lower than (i) the market price of the Subordinate Voting Shares at the close of markets on the business day immediately prior to the date of the grant of the option or (ii) the minimum exercise price permissible for Subordinate Voting Shares under the policies of any stock exchange on which the Subordinate Voting Shares are listed for trading.
5. The option price of Multiple Voting Shares which are the subject of any option shall in no circumstances be lower than (i) the market price of the Multiple Voting Shares at the close of markets on the business day immediately prior to the date of the grant of the option or (ii) the minimum exercise price for Multiple Voting Shares permissible under the policies of any stock exchange on which the Multiple Voting Shares are listed for trading.
6. At the time Options are granted:
 - (i) The maximum number of shares which may be reserved for issuance pursuant to any grant or grants of options to insiders (as a group) shall not, in any 12-month period, exceed 10% of the number of Subordinate Voting Shares and Multiple Voting Shares outstanding at the date of the grant (on a non-diluted basis) calculated on the basis that all Multiple Voting Shares shall be deemed to have been converted to Subordinate Voting Shares by using a multiplication factor of one hundred (100) and all options on Multiple Voting Shares shall be

deemed to have been converted to options on Subordinate Voting Shares by using a multiplication factor of one hundred (100) (see section 5.7 of the blacklined copy of the Plan attached hereto as Schedule “B” with respect to the Proposed Amendments to the foregoing provisions which shareholders will be asked at the Meeting to authorize);

- (ii) the maximum number of Subordinate Voting Shares which may be reserved for issuance to any one optionee, in any 12-month period, shall not exceed 5% of the Subordinate Voting Shares then outstanding (calculated on the basis that all Multiple Voting Shares are deemed to be converted into Subordinate Voting Shares);
 - (iii) the maximum number of Subordinate Voting Shares which may be reserved for issuance to any consultant, in any 12-month period, shall not exceed 2% of the Subordinate Voting Shares then outstanding (calculated on the basis that all Multiple Voting Shares are deemed to be converted into Subordinate Voting Shares);
 - (iv) the maximum number of Subordinate Voting Shares granted to persons employed to provide investor relations activities must not exceed, in any 12-month period, 2% of the Subordinate Voting Shares outstanding at the date of the grant (calculated on the basis that all Multiple Voting Shares are deemed to be converted into Subordinate Voting Shares); and
 - (v) unless otherwise determined by the Board, Options vest 25% at the date of grant and 12.5% at the end of each three-month period thereafter, provided that Options issued to consultants performing investor relations activities must vest in stages over a period of not less than 12 months with no more than $\frac{1}{4}$ of the Options vesting in any three-month period.
7. The Options may be exercisable for a period of up to five years.
 8. The Options can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Corporation or any related entity including any of its subsidiaries or within a period of not more than 90 days after ceasing to be a director, officer, employee or consultant (30 days in the case of a consultant engaged in “investor relation activities”) to the extent that the optionee was entitled to exercise the option at the date of such cessation.
 9. In case of the death of the optionee, any Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal representative(s) of the estate of the optionee at any time during 90 days following the death of the optionee but prior to the expiry of the option and only to the extent that the optionee was entitled to exercise such option at the date of death.
 10. In the event of the sale by the Corporation of all or substantially all of the property and assets of the Corporation or of the acquisition by any person who was not, immediately prior to the effective time of the acquisition, a registered or a beneficial shareholder in the Corporation, of Subordinate Voting Shares or rights or options to acquire Subordinate Voting Shares of the Corporation or securities which are convertible into Subordinate Voting Shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders, the optionees are entitled to exercise and acquire all Subordinate Voting Shares under their Options, including in respect of Subordinate Voting Shares available under the Option that are not otherwise vested at that time, within 90 days of the close of any such transaction.
 11. Disinterested shareholder approval for any reduction in the exercise price of a previously granted Option shall be obtained prior to the exercise of such Option if the optionee is an insider of the Corporation.
 12. Pursuant to the Board’s mandate to establish policies and to adopt, prescribe, amend or vary rules and regulations for carrying out the purposes, provisions and administration of the Plan and to make all other determinations necessary or advisable for management of the Plan, the Board established a policy and adopted rules (the “Rules”) to permit cash-less exercises of Options under the Plan. The Rules permit an optionee to elect to exercise Options on a cash-less basis whereby the inherent gain between the fair market value of the shares underlying those Options and the exercise price of those Options (less any withholding taxes which the Corporation is obligated to deduct and remit to taxing authorities) can be converted into shares at their fair market value at the time that the Options are exercised.

The following table sets out certain details as at December 31, 2022 with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance, the Plan being the sole such compensation plan of the Corporation.

Plan category	Number of Multiple Voting Shares to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of Multiple Voting Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,147,312	\$1.477	845,337 ⁽¹⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	1,147,312	\$1.477	845,337 ⁽¹⁾

Note:

- (1) Based on the 10% of the aggregate of 19,926,547 Multiple Voting Shares deemed to be issued and outstanding as of December 31, 2022 (calculated on the basis of 1,182,088,332 Subordinate Voting Shares outstanding on December 31, 2022 representing an aggregate of 11,820,883 Multiple Voting Shares upon the deemed conversion of all Subordinate Voting Shares into Multiple Voting Shares plus 8,105,664 Multiple Voting Shares outstanding on December 31, 2022).

Employment, Consulting and Management Agreements

Named Executive Officer Contracts

On October 8, 2008, the Corporation entered into an employment agreement with Frank Smeenck (the “**Smeenck Agreement**”). The term of the Smeenck Agreement is automatically extended from year to year. The Corporation may terminate the Smeenck Agreement at any time without cause provided that the Corporation pays at the time of termination an amount equal to 1.5 times his then-current annual salary and 1.5 times his annual performance bonus most recently paid. In the event that Mr. Smeenck dies or becomes incapacitated, a payment of 12 months’ salary shall be paid to his estate trustee or to his attorney, committee or other representative, as the case may be. In the event of a change of control of the Corporation and the employment of Mr. Smeenck is terminated within the period of three (3) years following the date of the change of control (“**Involuntary Termination**”), the Corporation shall pay to Mr. Smeenck an amount equivalent to three (3) times the then-current annual salary and three (3) times the annual bonus most recently paid. In addition, Mr. Smeenck will be allowed to exercise all stock options granted to him which had not previously been exercised, including options not otherwise exercisable or, at his election, receive from the Corporation an amount equal to the positive difference, if any, between the market price (as defined in the *Securities Act* (Ontario)) of the shares on the date of the Involuntary Termination and the average price at which Mr. Smeenck has the right to exercise the options or he may elect to have the Corporation arrange for him to participate in the stock option plan or plans applicable to the Corporation’s senior management for a further period of three (3) years from the date of the Involuntary Termination and to exercise all rights with respect to options granted under that plan or plans as if he were employed during this period. Within 10 days of a change of control of the Corporation, the Corporation shall pay to Mr. Smeenck a lump sum amount of \$125,000 as a retention bonus. The Smeenck Agreement defines change of control as, the occurrence of any of the following events after October 8, 2008: (i) any change in the holding, direct or indirect, of shares of the Corporation which would result in persons or a group of persons acquiring a position to exercise effective control of the Corporation (including any holdings of shares entitling the holders to cast 20% or more of the votes attaching to the Common Shares), (ii) the members of the Board ceasing to constitute a majority of the Board within any 12-month period, or (iii) a sale of 50% of the assets of the business to a person who is not affiliated with the Corporation. The Smeenck Agreement was last reviewed in January 2012 by the Compensation Committee increasing Mr. Smeenck’s annual salary to \$300,000, all other terms and conditions of the Smeenck Agreement remaining the same.

Ms. McElwain, through her holding company, entered into an executive services agreement with the Corporation effective as of January 1, 2022 (the “**McElwain Agreement**”). The McElwain Agreement had an initial term of one year which can be extended by written agreement, which initial term has now been extended for a further period of one year. The McElwain Agreement can be terminated (i) 60 days after one party gives the other written notice of breach by the other of any material term or condition of the agreement; (ii) effective immediately with written notice of termination by one party after a receiver

has been appointed in respect of the whole or a substantial part of the other party's assets or a petition in bankruptcy or for liquidation is filed by or against that other party, or if the other party has been dissolved or liquidated or is insolvent; (iii) 30 days after written notice from one of the parties to the other, terminating the agreement for convenience; and (iv) in the event of a change of control. Upon termination of the McElwain Agreement, the Corporation shall pay to Ms. McElwain all fees due on the date of termination plus: (A) in the event that a Change of Control results in termination of the agreement, (i) if the contractor is entitled to receive a finder's fee, a termination payment equal to the product of (a) 12 months of fees, and (b) the quotient derived from dividing (I) the volume weighted average trading price (the "vwap") as of the date of completion of the change of control (the "Closing vwap") less the vwap as of the date of entering into the agreement (the "Starting vwap"), by (II) the Starting vwap, and (c) the factor (which factor varies from 50% to 200% depending on the difference between the Starting vwap and the Closing vwap); (ii) in the event that the contractor is not entitled to receive a finder's fee, a termination payment equal to the product of (a) 24 months of fees, and (b) the quotient derived from dividing (I) the Closing vwap less the Starting vwap by (II) the Starting vwap, and (c) the factor (as described above); or (B) in the event that notice is given by the Corporation for termination of agreement by convenience, a termination payment equal to 12 months of fees. The termination payment may be paid, at the option of the Corporation, either in cash or in Multiple Voting Shares of the Corporation. Pursuant to the McElwain Agreement, the fee payable to the contractor is \$350,000 per annum payable in monthly instalments in arrears.

The Corporation and its subsidiary, Canada Chrome Corporation ("CCC"), entered into an agreement in January 2021 with Tony Marquis, President and Chief Operating Officer of CCC, whereby he may, over the two-year term of the agreement, earn \$70,000 per month, which monthly salary may, at his option, be tendered for 1/24th of a 10% interest in CCC, for the purpose of which the total value of CCC was deemed to be \$16.8 million. Alternatively, all or any part of any unpaid salary may be tendered by him for payment in Multiple Voting Shares of the Corporation at \$1.00 per share at any time on or before January 18, 2024. An aggregate of 1,680,000 Multiple Voting Shares have been reserved by the Corporation for issuance for this contingency.

Mr. Masters has not entered into a formal written contract or agreement with respect to the services he provides to the Corporation.

Mr. Lavigne has not entered into a formal written employment contract or agreement with respect to the services he provides to the Corporation.

Mr. Sheldon's services as Secretary are provided by Sheldon Executive Services Inc. Sheldon Executive Services Inc. has not entered into a formal written contract or agreement with respect to those services.

Other Change of Control Commitments

Certain directors and officers of the Corporation are entitled to a lump sum payment, including a payment of \$125,000 to the CEO as described in the aforementioned paragraphs, on the occurrence of a merger, take-over or change of control of the Corporation, as defined by the Board.

The following tables provide estimates of the incremental amounts that would have been payable to NEOs assuming termination and/or change of control events occurred on December 31, 2022.

Estimated Incremental Payments as of December 31, 2022 - Termination without Cause

Name	Salary and Bonus
Frank Smeenk	\$570,000
Megan McElwain	\$ 29,017
Total	\$599,017

Estimated Incremental Payments as of December 31, 2022 - Death or Permanent disability

Name	Salary
Frank Smeenk	\$300,000
Megan McElwain	\$ 29,017
Total	\$329,017

Estimated Incremental Payments as of December 31, 2022 - Change of Control

Name	Lump sum
Frank Smeenck	\$125,000
Megan McElwain	Formula ^(*)

Note:

(*) Under the McElwain Agreement, in the event of termination as a result of a change of control Ms McElwain will receive a bonus determined by a formula based on the differential between the Starting vwap and the Closing vwap and other factors (see “*Named Executive Officer Contracts*” above).

Estimated Incremental Payments as of December 31, 2022 – Termination without Cause Following a Change of Control

Name	Salary and bonus
Frank Smeenck	\$1,140,000 ⁽¹⁾
Megan McElwain	Formula ⁽²⁾

Notes:

(1) Under the Smeenck Agreement, all options granted to Mr. Smeenck will vest in the event of termination without cause following a change of control.

(2) Under the McElwain Agreement, in the event of termination as a result of a change of control Ms McElwain will receive a bonus determined by a formula based on the differential between the Starting vwap and the Closing vwap and other factors (see “*Named Executive Officer Contracts*” above).

Oversight and Description of Director and Named Executive Officer CompensationCompensation Committee

The Compensation Committee has only one member, Donald Sheldon. The vacancies on the Compensation Committee created by resignations have not been filled. The Compensation Committee had no meetings in the year ended December 31, 2021 or December 31, 2022.

Compensation Process

The Compensation Committee relies on the knowledge and experience of its members and the recommendations of the CEO to set appropriate levels of compensation for senior officers. Neither the Corporation nor the Compensation Committee currently has any contractual arrangement with any executive compensation consultant.

The Compensation Committee reviews and makes determinations with respect to senior officer compensation on an annual basis. When determining senior officer compensation, the Compensation Committee evaluates the CEO’s achievements during the preceding year and reviews the performance of other senior officers (as evaluated by the CEO based on their achievements during the preceding year).

The Compensation Committee uses all the data available to it to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size and activities of the Corporation and sufficient to retain key personnel.

In reviewing comparative data, the Compensation Committee refers to public information on executive compensation but does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level.

The Compensation Committee reviews the elements of the NEOs’ compensation in the context of the total compensation package (including base salary, long-term equity incentive awards, including prior awards under the Plan) and recommends the NEOs’ compensation packages.

The Corporation is reviewing, but has not yet made any significant changes to, its compensation policies and practices for 2023.

The Compensation Committee is mandated to consider the risk implications of the Corporation’s compensation policies and practices to assess whether there is any appreciable risk associated with such policies and practices and whether any such policies and practices have the potential of encouraging an executive officer or other applicable individual to take on any undue risk or to otherwise expose the Corporation to inappropriate or excessive risks. Furthermore, although the Corporation does not have in place any specific prohibitions preventing a NEO or a director from purchasing financial instruments, including, for

greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of shares, options or other equity securities of the Corporation granted in compensation or held directly or indirectly by the NEO or director, the Corporation is unaware of the purchase of any such financial instruments by any NEO or director.

During 2021 and 2022, the Corporation did not retain a compensation consultant or advisor to assist the Board or the Compensation Committee in determining compensation for the Corporation's executive officers and directors.

Principles/Objectives of the Compensation Program

The primary goal of the Corporation's executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation's senior officers is determined with regard to the Corporation's business strategy and objectives, such that the financial interests of the senior officers are matched with the financial interests of the shareholders.

Compensation Program Design and Analysis of Compensation Decisions

Standard compensation arrangements for the Corporation's senior officers are composed of the following elements, which are linked to the Corporation's compensation and corporate objectives as follows:

Compensation Element	Link to Compensation Objectives	Link to Corporate Objectives
Base Salary or Consultant Fees	Attract and Retain Reward	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives. Yearly review based on NEO performance.
Stock options	Motivate and Reward Align interests with shareholders	Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

The Corporation is an exploratory stage mining company and will not be generating revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Compensation Committee to be appropriate in the evaluation of corporate or NEO performance. The compensation of the senior officers is based, in substantial part, on industry compensation practices, trends in the mining industry as well as achievement of the Corporation's business plans. In addition to the above compensation elements, the Compensation Committee is empowered to grant cash bonuses to senior officers in order to reward exceptional performance.

Base Salaries and Consultant Fees

The Corporation provides NEOs with base salaries and/or consulting fees which represent their minimum compensation for services rendered during the fiscal year. NEOs' base salaries and/or consulting fees depend on the scope of their experience, responsibilities, leadership skills and performance. Base salaries and consulting fees are reviewed periodically by the Compensation Committee. A description of the material terms of the CEO's employment contract is provided under the heading "*Termination and Change of Control Benefits*". In addition to the above factors, decisions regarding compensation increases are impacted by each NEO's current salary, general industry trends and practices, competitiveness and the Corporation's existing financial resources.

Options

The granting of Options pursuant to the Corporation's Stock Option Plan is an integral component of the compensation packages of the senior officers of the Corporation. The Compensation Committee believes that the grant of Options to senior officers and share ownership by such officers serves to motivate and reward such officers to increase shareholder value by the achievement of the Corporation's long-term corporate strategies and objectives, thereby aligning such officers' interests with that of shareholders. Options are awarded by the Board based upon the recommendation of the Compensation Committee, which bases its decisions upon the level of responsibility and contribution of the individuals toward the Corporation's goal and objectives. The Compensation Committee considers the overall number of Options that are outstanding relative to the number of outstanding Subordinate Voting Shares and Multiple Voting Shares in determining whether to make any new grants of

Options and the size of such grants. The Compensation Committee's decisions with respect to the granting of Options are reviewed by the Board and are subject to its final approval.

Analysis of Compensation Decisions

Standard compensation arrangements for the Corporation's senior officers are composed of base salary or consulting fees and Options. In addition to the above compensation elements, the Compensation Committee is empowered to grant cash bonuses to senior officers in order to reward exceptional performance. No bonuses were awarded in 2021 or 2020.

Pension Plan Benefit

The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

PART FOUR

CORPORATE GOVERNANCE PRACTICES AND OTHER MATTERS

Information on Corporate Governance

The following information of the Corporation's Corporate Governance Policy is given in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The Corporation has reviewed its own corporate governance guidelines which comply with all applicable requirements.

Board of Directors

The Board and its senior management believe that the Corporation has established and operates in an environment of effective internal control with strong corporate governance structures and procedures in place.

Messrs. Flett and Reid are independent. Mr. Smeenk, President and Chief Executive Officer of the Corporation, is not considered independent. Mr. Sheldon is not considered independent since the retainer of Dickinson Wright LLP commencing in 2016, of which Mr. Sheldon is a partner, to provide legal services to the Corporation. Ms Blondin is not considered independent due to her executive position with Cormorant Utility Services Limited, which has provided services to the Corporation including a design feasibility engineering proposal for a proposed utility corridor from Aroland, Ontario, to the Ring of Fire and five First Nations communities.

Directorships

Certain of the directors are also directors of other reporting issuers (or the equivalent) in Ontario or in another jurisdiction within Canada as follows:

Director	Issuer
Frank C. Smeenk	Fletcher Nickel Inc. MacDonald Oil Exploration Ltd.
Douglas Flett	Fletcher Nickel Inc. Tartisan Nickel Corp.
Donald A. Sheldon	Metalcorp Limited Cartier Iron Corporation
Bruce Reid	55 North Mining Inc. Canuc Resources Corporation Altair Resources Inc. Idaho Champion Gold Mines Canada Inc. Rex Opportunity Corp.

Orientation and Continuing Education

The Board encourages directors to follow appropriate education programs offered by relevant regulatory bodies and provides them with the opportunity to enhance their understanding of the nature and operation of the Corporation.

Ethical Business Conduct

Each director of the Corporation, in exercising his powers and discharging his duties, must act honestly and in good faith with a view to the best interests of the Corporation and further must act in accordance with the law and applicable regulations, policies and standards.

In a situation of conflict of interest, a director is required to disclose the nature and extent of any material interest he/she has in any material contract or proposed contract of the Corporation, as soon as the director becomes aware of the agreement or the intention of the Corporation to consider or enter into the proposed agreement and the director must refrain from voting and may not be present during deliberations concerning the agreement or transaction.

Nomination of Directors

The Board selects nominees for election to the Board, after having considered the advice and input of the Governance and Nominating Committee and having carefully reviewed and assessed the professional competencies and skills, personality and other qualities of each proposed candidate, including the time and energy that the candidate can devote to the task, and the contribution that the candidate can bring to the Board dynamic.

Governance and Nominating Committee

The Governance and Nominating Committee is composed of Messrs. Sheldon and Smeenck. The Committee has the authority and responsibility for:

- (i) reviewing the mandates of the Board and its committees and recommending to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- (ii) reviewing annually the disclosure of corporate governance practices to be included in the Corporation's information circular;
- (iii) reviewing at least annually the size and composition of the Board, analyzing the needs of the Board and considering the skills, areas of experience, backgrounds, independence and qualifications of the Board members to ensure that the Board, as a whole, has a diversity of competencies and experience that support it in carrying out its responsibilities;
- (iv) assessing on a regular basis the effectiveness of the Board as a whole, the committees of the Board and the contribution of each director regarding his, her or its effectiveness and contribution;
- (v) acting as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board; and
- (vi) determining at the earliest stage possible whether any proposed transaction discussed by the Board is or can be perceived as a related party transaction and, if such is the case, review any such transaction to ensure that it is being proposed and will be carried out with fairness and with the best interest of the Corporation in mind and, or alternatively, recommend that a special committee of disinterested directors be constituted to carry out the negotiations for such transaction and review and reported thereupon to the Board.

Assessments

Refer to the responsibilities of the Governance and Nominating Committee described herein.

Diversity

On January 1, 2020, amendments to the *Canada Business Corporations Act* entered into force requiring new disclosure of the number of: (i) women; (ii) Aboriginal peoples; (iii) people with disabilities; and (iv) members of visible minorities (collectively, the "**Designated Groups**") on the Board and in senior management positions with the Corporation.

The Corporation recognizes the benefits of diversity within the Board, at the senior management level and at all levels of the organization. The Board believes gender diversity is a significant aspect of diversity and acknowledges the role that women can play in contributing to diversity of perspective in the boardroom and throughout the organization. The Corporation has not adopted targets for the representation of women on the Board because it does not believe it is appropriate to set targets or quotas for gender or other diversity representation on the Board due to the need to consider a balance of criteria in each individual

nominee. It is important that each individual nominated to the Board be considered on the individual's merits and on the needs of the Corporation at the relevant time.

For senior management, the Board considers representation by women when making appointments but, in light of the Corporation's size, management and the Board do not consider it necessary at this time to set a target for the representation of women or members of other Designated Groups at the senior management level. The Board considers above all each candidate's qualifications and competencies to create as much value as possible for the Corporation.

As of the date of this Circular, one of the five members of the Board is member of the Designated Groups (20%) and one of the members of the senior management team of the Corporation is a member of the Designated Groups (25%).

AUDIT COMMITTEE

Charter of the Audit Committee

The Charter of the Audit Committee is annexed to this Management Information Circular as Schedule "A".

Composition of the Audit Committee

During 2021 and 2022, the Audit Committee was composed of Mr. Reid, Mr. Sheldon and Mr. Flett. Under Multilateral Instrument 52-110 *Audit Committees*, a director of an Audit Committee is "independent" if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board, reasonably be expected to interfere with the exercise of the member's independent judgment. Two of the three members of the Audit Committee are independent, Messrs Flett and Reid.

The Board has determined that each of the members of the Audit Committee is "financially literate" within the meaning of section 1.6 of Multilateral Instrument 52-110 *Audit Committees*, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Education and Relevant Experience

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee is set out below.

Mr. Flett completed three years of the Bachelor of Commerce program at the University of Windsor where he minored in accounting before transferring to the University of Windsor Law School. He has also completed the Rotman Institute of Corporate Directors SME Program. He was in private practice for over twenty years with a general, corporate and commercial firm where, during that time, he acted for 150 to 200 private companies. He has been a member of the Board of several TSX-listed, TSXV-listed and CSE-listed mineral exploration companies.

Mr. Reid has extensive experience in corporate financing and financial reporting for public and private companies. His background includes more than 30 years of direct experience in the mining industry following graduation with a B.Sc. in Geology from the University of Toronto in 1979 and a finance degree from the University of Windsor. He has held various senior executive officer positions and has been a member of the Board of numerous TSX-listed, TSXV-listed, CSE-listed and private mining and mineral exploration companies.

Mr. Sheldon has extensive experience in corporate financing and financial reporting for public and private companies. He completed both undergraduate and graduate degrees in Engineering at the University of Toronto and a law degree at Osgoode Hall Law School at York University. He was a professional engineer and has practised law for more than 40 years, specializing in corporate finance and securities regulation. He has held various senior executive officer positions and has been a member

of the board of directors of numerous TSX-listed, TSXV-listed, CSE-listed and private corporations, including mineral exploration companies.

Reliance on Exemption

The Corporation is a venture issuer as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 “*Composition of Audit Committees*” and Part 5 “*Reporting Obligations*” of NI 52-110.

Pre-approval Policies and Procedures for Audit Services

Under its charter, the Audit Committee has the mandate to review and pre-approve management requests for any consulting engagement to be performed by the auditors of the Corporation that is beyond the scope of their audit services. There were no such mandates in 2022, 2021 and 2020.

External Auditor Fees

(a) Audit Fees

Audit fees amounted to \$40,310 for the fiscal year ended December 31, 2021 and \$28,560 for the fiscal year ended December 31, 2020.

(b) Non Audit-Related Fees

Non audit-related fees paid to the external auditors during the fiscal year ended December 31, 2021 amounted to \$nil for the fiscal year ended December 31, 2020.

(c) Tax Fees

No tax fees were billed by the external auditors during the fiscal years ended December 31, 2021 and 2020.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is, or who was within the 30 days prior to the date of this Circular, a director, executive officer, employee or any former director, executive officer or employee of the Corporation or a subsidiary thereof, and no person who is a nominee for election as a director of the Corporation, and no associate of such persons is, or was as of the date of this Circular indebted to the Corporation or a subsidiary of the Corporation or indebted to any other entity where such indebtedness is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

During the fiscal years ended December 31, 2021 and 2022, none of the directors or executive officers of the Corporation, proposed nominees for election as a director, or any associate of the foregoing, was indebted to the Corporation or any subsidiary of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or any proposed director of the Corporation, or any of the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Corporation’s most recently completed financial years covered by this Circular, namely the years ended December 31, 2021 and 2022, or in any proposed transaction which has, in either case, materially affected or would materially affect the Corporation or any of its subsidiaries – except as described below.

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

Services Agreement with Chief Operating Officer of Canada Chrome Corporation

The Corporation and its subsidiary, Canada Chrome Corporation (“CCC”), entered into an agreement in January 2021 with Tony Marquis, President and Chief Operating Officer of CCC, whereby he may, over the two-year term of the agreement, earn \$70,000 per month, which monthly salary may, at his option, be tendered for 1/24th of a 10% interest in CCC, for the purpose of which the total value of CCC was deemed to be \$16.8 million. Alternatively, all or any part of any unpaid salary may be tendered by him for payment in Multiple Voting Shares of the Corporation at \$1.00 per share at any time on or before January 18, 2024. An aggregate of 1,680,000 Multiple Voting Shares have been reserved by the Corporation for issuance for this contingency.

Services Agreement with Cormorant Utility Services

In July 2021, the Corporation and its subsidiary, Canada Chrome Corporation (“CCC”) engaged the services of Cormorant Utility Services Limited (“Cormorant”) for Cormorant to provide design engineering services for an electrical power utility line from the Ontario power grid near Nakina, Ontario connecting to the Ring of Fire and several contiguous remote communities. CCC agreed to pay fees of \$2,400,000 to Cormorant, payable in shares of CCC, for the engineering and design services. Following completion of those services, in December 2021, Cormorant exercised its exchange privilege and tendered those common shares of CCC as payment for the acquisition of 905,660 Multiple Voting Shares of the Corporation at a price of \$2.65 per share. Fiona Blondin is a Vice President of Cormorant and, on September 21, 2021, became a director of the Corporation.

Private Placement of Convertible Debentures in September/October 2021

In September and October, 2021, the Corporation completed a private placement of convertible debentures comprised of an aggregate of \$7,404,117.08 of debentures. The debentures were convertible into units (each a “Unit”) with a deemed value of \$15 per Unit (i) at the holder’s option at any time or (ii) at the option of KWG after September 29, 2022. The debentures had a maturity date of June 30, 2023 and bear interest at 12% per annum, accruing daily. Each Unit will be comprised of two Multiple Voting Shares (or six Multiple Voting Shares taking into effect the subdivision of Multiple Voting Shares implemented later in 2021) and one multiple-voting share purchase warrant enabling its holder to acquire one further Multiple Voting Share (or to acquire three Multiple Voting Shares taking into effect the subdivision of Multiple Voting Shares implemented later in 2021) from treasury upon payment of \$3.20 for each Multiple Voting Share taking into effect the subdivision of Multiple Voting Shares implemented later in 2021, exercisable at any time on or before December 15, 2023. Officers and directors of the Corporation participated in the third tranche of the private placement for an aggregate of \$1,397,800 of debentures to settle debts owed by the Corporation to such insiders. On September 30, 2022, the Corporation elected to exercise its conversion privilege and converted all of the principal and interest owing on all debentures which remained outstanding (some debentures had previously been converted by their holders).

Acquisition from Fancamp

On September 1, 2022, the Corporation (“KWG”) and Fancamp Exploration Ltd. (“Fancamp”) completed the sale by Fancamp to KWG of all of the right, title and interests beneficially owned by Fancamp in and to the “Koper Lake-McFaulds” mineral properties, comprised of four (4) “legacy” mining claims (the “Mining Claims”) that cover approximately four (4) square kilometers, overlying the axis of the Ring of Fire intrusion, host to all the known chromite deposits located within the “Ring of Fire” in the Province of Ontario.

The consideration paid by KWG to Fancamp for the purchase of the Mining Claims and a one-time payment by Fancamp to KWG of C\$1,500,000 consisted of: (a) the issuance by KWG to Fancamp of a secured convertible promissory note in the principal amount of C\$34.5 million (the “Secured Convertible Promissory Note”); (b) the issuance by KWG to Fancamp of warrants to purchase a total of 4,044,453 multiple voting shares of KWG (the “Consideration Warrants”); and (c) the grant by KWG to Fancamp of a 2.0% net smelter return royalty (“Royalty”) (one-quarter of which may be purchased by KWG at any time for C\$5 million and the next one-quarter of which is subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the Mining Claims held by KWG on and after the closing date.

The Secured Convertible Promissory Note has a four-year term maturing on September 1, 2026, which maturity date may on certain conditions be extended by KWG on at least six months’ notice for an additional period of up to one year. The C\$34.5 million principal amount of the Secured Convertible Promissory Note is currently convertible by Fancamp at \$4.6916 per

multiple voting share of KWG (each, a “**MVS**”) into 7,353,568 MVS (increasing to 7,703,816 MVS at \$4.4783 per MVS on September 1, 2023 and further increasing to 8,088,908 MVS at \$4.2651 per MVS (the “**Base Conversion Price**”) on September 1, 2024 (subject to further adjustment in certain circumstances)) and bearing interest in quarterly instalments at a rate of 6% per annum, payable at the option of KWG in cash or in MVS at the volume weighted average trading price for the five trading days prior to the interest payment date. KWG has the right to repay the principal amount in cash in whole or in part at any time on 30 days’ notice (subject to Fancamp’s right to convert into MVS at the Base Conversion Price during the notice period prior to payment in cash).

The Consideration Warrants are currently exercisable by Fancamp to purchase 4,044,453 MVS at \$4.6916 per share (decreasing to \$4.4783 per share on September 1, 2023 and to the Base Conversion Price of \$4.2651 per share on September 1, 2024 and for the rest of the term, subject to adjustment in certain circumstances).

Other key terms of the transaction are as follows:

- On the closing date, Fancamp made a one-time payment to KWG of C\$1,500,000 (the “**Fancamp Closing Payment**”), the proceeds of which will be used by KWG for the advancement and development of the Mining Claims and for other general working capital purposes.
- The Secured Convertible Promissory Note bears interest at a rate of six percent (6%) per annum and will mature on the date which is the four (4) year anniversary of the closing date, namely on September 1, 2026, subject to extension for up to one additional year in accordance with the terms of the Secured Convertible Promissory Note (the “**Maturity Date**”). The interest payments under the Secured Convertible Promissory Note will be payable in cash or, at the option of KWG, in MVS at an issue price equal to the five (5) day volume-weighted average trading price ending on the trading day immediately prior to: (a) the day the accrued interest becomes payable; (b) the Maturity Date; or (c) such other applicable date referenced in the binding agreement relating to the Transaction.
- The Secured Convertible Promissory Note is convertible, in whole or in part, at the option of Fancamp, at any time following the closing date, up to and including the maturity date, into fully-paid MVS at a conversion price equal to a premium to the Base Conversion Price (as set out above) if converted anytime on or before the two year anniversary of the closing date, and at the Base Conversion Price if converted anytime thereafter (up to, and including, the Maturity Date), in each case, subject to adjustment in accordance with the terms of the Secured Convertible Promissory Note.
- The Secured Convertible Promissory Note is secured by a security interest over all of the assets of KWG and its subsidiaries (including all of its tangible and intangible personal property and all present and after-acquired personal property of KWG), subject to certain encumbrances (the “**KWG Encumbrances**”), and excluding KWG’s existing beneficial interests in the Mining Claims and certain other assets (the “**KWG Assets Collateral**”).
- Upon the delivery by KWG to Fancamp of certain documentation as set out in the Secured Convertible Promissory Note, the KWG Assets Collateral may be substituted for a security interest comprising all of the existing and hereinafter acquired interests of KWG in the Mining Claims (including the interests in the Mining Claims acquired by KWG pursuant to the Transaction). Upon the delivery by KWG of security over all of its interests in the Mining Claims in favour of Fancamp in a form acceptable to Fancamp, Fancamp will release its security interest over the KWG Assets Collateral.
- The security for the indebtedness represented by the Secured Convertible Promissory Note is senior and first ranking to all other indebtedness of KWG and its subsidiaries, but subject to the KWG Encumbrances.
- The Secured Convertible Promissory Note is subject to certain other customary terms and conditions, including negative covenants which provide, among other things, that KWG will be precluded from selling, transferring or taking any other actions vis-à-vis the Mining Claims or the KWG Assets Collateral unless the cash proceeds from any such transaction are irrevocably directed to and in favour of Fancamp in satisfaction of outstanding indebtedness under the Secured Convertible Promissory Note (with any remaining cash proceeds thereon, if any, to be for the benefit of KWG).
- The Consideration Warrants are evidenced by a warrants certificate (the “**Warrants Certificate**”) issued by KWG in

favour of Fancamp) entitling Fancamp to receive one (1) MVS of KWG for each warrant exercised.

- The expiry date of the Consideration Warrants is September 1, 2027 (the “**Expiry Date**”).
- The Consideration Warrants have an exercise price equal to a premium to the Base Conversion Price (as described above) if exercised anytime on or before September 1, 2024 (as described above), and at the Base Conversion Price if exercised anytime thereafter (up to, and including, the Expiry Date), in each case, subject to adjustment in accordance with the terms of the Warrants Certificate.
- On any announcement of a business combination, take-over bid or other change of control involving KWG as the target, Fancamp will have the right to convert the Secured Convertible Promissory Note at the Base Conversion Price and/or to exercise the Consideration Warrants at the Base Conversion Price, in each case, in whole or in part, at the option of Fancamp, prior to completion of the change of control event.
- A royalty agreement was entered into on the closing date in favour of Fancamp with respect to the Royalty.
- At any time while there is any amount outstanding under the Secured Convertible Promissory Note or while Fancamp holds at least five percent (5%) of the outstanding MVS (calculated on a non-diluted basis), Fancamp will have the right to nominate one member to the board of directors of KWG, and KWG will use all commercially reasonable efforts to facilitate such director nominee’s election to the board of directors of KWG.

Rajesh Sharma, one of the nominees proposed for election as a director of the Corporation at the Meeting, is, and at the time of the acquisition of the Mining Claims from Fancamp was, the Chief Executive Officer and a director of Fancamp.

Private Placement on December 30, 2022 of Flow-Through Units

The Corporation completed a private placement of 66,667 flow-through units at a price of \$2.25 per unit effective December 30, 2022. Each unit was comprised of one Multiple Voting Share and one multiple voting share purchase warrant exercisable to acquire one additional Multiple Voting Share for \$2.75 at any time before December 30, 2027. The units were issued on a flow-through basis under the Income Tax Act. Frank Smeenck, the Chief Executive Officer and a director of the Corporation, subscribed for the full amount of the private placement.

REGULATORY MATTERS, BANKRUPTCIES AND INSOLVENCIES

To the knowledge of the Corporation, except as described below, no nominee for director of the Corporation is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

1. was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting as director, chief executive officer or chief financial officer; or
2. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under the securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and that resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
3. while that person was acting in the capacity as director, chief executive officer or chief financial officer 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.

PERSONAL BANKRUPTCIES, ETC

To the knowledge of the Corporation, no nominee for director, nor any personal holding company of any such nominee, has,

within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the proposed director.

PENALTIES UNDER SECURITIES LEGISLATION

Except as described below, to the knowledge of the Corporation, no nominee for election as director, nor any personal holding company of any such nominee, (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority; or (b) any other 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, nor has any nominee for director entered into a settlement agreement with a securities regulatory authority.

On June 8, 1999, MacDonald Oil Exploration Ltd. (“**MacDonald Oil**”) commenced a share exchange takeover bid offering under the provisions of the Canada Business Corporations Act, for the shares of Bresea Resources Ltd. (“**Bresea**”) (the “**Offer**”). Thirty-five minutes prior to the Offer’s expiry on July 12, 1999, the Ontario and Alberta Securities Commissions (the “**Commissions**”) issued Temporary Orders to cease trading in the shares of Bresea and the consideration to be paid for some 22 million Bresea shares previously tendered to the Offer. At a joint hearing of the Commissions convened on August 11, 1999 the Commissions issued orders (the “**Orders**”) in both Alberta and Ontario that trading cease by MacDonald Oil in the shares of Bresea and the consideration to have been paid for them by MacDonald Oil until, among other things, all such Bresea shares were returned to or withdrawn by their prior holders. All the Bresea shares were returned or withdrawn. Mr. Smeenck, a director of the Corporation standing for re-election at the Meeting, was, at the time of the Orders’ effect, an officer and director of MacDonald Oil.

In consequence of the Orders, MacDonald Oil was unable to satisfy its auditor as to the value of its investment in the Offer, prior to the time for filing its subsequent annual financial statements. Its application to the Ontario Securities Commission (“**OSC**”) for leave to therefore extend the time for filing was declined by the issue of a 15-day Temporary Order on February 2, 2000 which was dissolved on its expiry by the Issuer’s timely filings in the interim. Mr. Smeenck was made a party to the Temporary Order as a then-current insider of the Issuer.

Mr. Smeenck and MacDonald Oil (and other persons) entered into a settlement agreement with the OSC dated January 8, 2001 whereunder the parties agreed to the settlement of proceedings initiated by the OSC in respect of instances of non-compliance by Mr. Smeenck and MacDonald Oil (and others) with filing, disclosure and trading requirements under Ontario securities laws. The terms of the settlement provided that, *inter alia*, (i) each of the respondents would be reprimanded by the OSC; (ii) Mr. Smeenck would make a payment of \$5,000 to the OSC in respect of the OSC’s costs; (iii) commencing March 21, 2001, Mr. Smeenck would cease trading in any securities acquired by him after the date of the settlement for a period of one year; and (iv) Mr. Smeenck could continue as a director and as executive vice-president of MacDonald Oil but would be prohibited, for a period of two years, from assuming the responsibilities of certain of MacDonald Oil’s other offices, or acting as the chair of its board of directors or of any of its board committees.

Final Orders to cease trading in the shares of MacDonald Oil were issued by the Ontario Securities Commission on January 24, 2002, by the British Columbia Securities Commission on January 25, 2002 and by the Québec Securities Commission on February 4, 2002. As of the date hereof, those cease-trade orders remain in effect. Mr. Smeenck continues to be a director and officer of MacDonald Oil.

The shares of Fletcher Nickel Inc. were delisted from trading on the Toronto Stock Exchange on November 30, 2009 as the market value of the shares failed to recover to the requisite minimum listing requirements and the company then became dormant. In consequence, orders to cease trading in the shares of Fletcher Nickel Inc. were issued by the Ontario Securities Commission on May 20, 2015, British Columbia Securities Commission on May 11, 2015 and Alberta Securities Commission on August 20, 2015. As of the date hereof, those cease-trade orders remain in effect. Mr. Smeenck continues to be a director and officer of Fletcher Nickel Inc.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any degree performed by a person or company other than the directors or executive officers (or the companies controlled by them, either directly or indirectly) of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be obtained by accessing the Corporation's profile on SEDAR at www.sedar.com. Security holders may contact Bruce Hodgman by mail at 141 Adelaide Street West, Suite 240, Toronto, Ontario, M5H 3L5, by phone at (416) 642-3575 or 1-888-642-3575, facsimile at (416) 644-0592 or email to bh@kwgresources.com to request copies of the Corporation's financial statements and management's discussion and analysis, free of charge.

Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

BOARD APPROVAL

The contents and the sending of this Circular have been approved by the board of directors of the Corporation.

DATED at Toronto, Ontario, as of the 3rd day of January, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Frank Smeenk*"

Frank Smeenk, Chief Executive Officer

SCHEDULE “A”

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Audit Committee (the “Committee”) is a committee of the board of directors. The primary function of the Committee is to assist the board of directors in fulfilling its financial reporting and controls responsibilities to the shareholders of the Corporation and the investment community. The external auditors will report directly to the Committee. The Committee’s primary duties and responsibilities are:

- overseeing the integrity of the Corporation’s financial statements and reviewing the financial reports and other financial information provided by the Corporation to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation’s external auditors, overseeing the external auditors’ qualifications and independence and providing an open avenue of communication among the external auditors, financial and senior management and the board of directors;
- monitoring the Corporation’s financial reporting process and internal controls, its management of business and financial risk, and its compliance with legal, ethical and regulatory requirements.

II. COMPOSITION

The Committee shall consist of a minimum of three directors of the Corporation, including the Chair of the Committee, the majority of whom shall not be employees, officers or “control persons”, as such term is defined hereunder, of the Corporation. All members shall, to the satisfaction of the board of directors, be “financially literate” as such term is defined hereunder.

The members of the Audit Committee shall be elected by the board of directors at the annual organizational meeting of the board of directors following the annual meeting of shareholders and hold office until their successors are duly elected and qualified. The board of directors may remove a member of the Audit Committee at any time in its sole discretion by resolution of the board.

III. DUTIES AND RESPONSIBILITIES

1. The Committee shall review and recommend to the board for approval the annual audited consolidated financial statements and the annual MD&A.
2. The Committee shall review with financial management and the external auditor the Corporation’s financial statements, MD&A’s and earnings releases prior to filing with regulatory bodies such as securities commissions and/or prior to their release.
3. The Committee shall review all documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or non audited interim financial statements results (e.g., prospectuses, press releases with financial results) prior to their release.
4. The Committee, in fulfilling its mandate, will:
 - (a) Satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws.
 - (b) Satisfy itself that adequate procedures are in place for the review of the issuer’s public disclosure of financial information extracted or derived from the issuer’s financial statements, other than MD&A and annual and interim earnings press releases, and must periodically assess the adequacy of those procedures.
 - (c) Recommend to the board of directors the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor.
 - (d) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor, and discussing and resolving any material differences of opinion or disagreements between management and the external auditor.

- (e) Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Corporation to determine their independence and report to the board of directors.
- (f) Review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant. Consider with management the rationale for employing accounting/auditing firms other than the principal external auditor.
- (g) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- (h) Arrange for the external auditor to be available to the Audit Committee and the full board of directors as needed. Ensure that the auditors report directly to the Audit Committee and are made accountable to the board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
- (i) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services.
- (j) Review and approve hiring policies for employees or former employees of the past and present external auditors.
- (k) Review the scope of the external audit, including the fees involved.
- (l) Review the report of the external auditor on the annual audited consolidated financial statements.
- (m) Review problems found in performing the audit, such as limitations or restrictions imposed by management or situations where management seeks a second opinion on a significant accounting issue.
- (n) Review major positive and negative observations of the auditor during the course of the audit.
- (o) Review with management and the external auditor of the Corporation's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results.
- (p) Review emerging accounting issues and their potential impact on the Corporation's financial reporting.
- (q) Review and approve requests for any engagement to be performed by the external auditor that is beyond the scope of the audit engagement letter and related fees.
- (r) Review with management, the external auditors and legal counsel, any litigation, claims or other contingency, including tax assessments, which could have a material effect upon the financial position or operating results of the Corporation, and whether these matters have been appropriately disclosed in the financial statements.
- (s) Review the conclusions reached in the evaluation of management's internal control systems by the external auditors, and management's responses to any identified weaknesses.
- (t) Review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements.
- (u) Review with management their approach with respect to business ethics and corporate conduct.
- (v) Review annually the legal and regulatory requirements that, if breached, could have a significant impact on the Corporation's published financial reports or reputation.
- (w) Receive periodic reports on the nature and extent of compliance with security policies. The nature and extent of non-compliance together with the reasons therefore, with the plan and timetable to correct such non-compliance will be reported to the board, if material.
- (x) Review with management the accuracy and timeliness of filing with regulatory authorities.
- (y) Review periodically the business continuity plans for the Corporation.
- (z) Review the annual audit plans of the external auditors of the Corporation.
- (aa) Review annually general insurance coverage of the Corporation to ensure adequate protection of major corporate assets including but not limited to D&O and "Key Person" coverage.
- (bb) Perform such other duties as required by the Corporation's incorporating statute and applicable securities legislation and policies.
- (cc) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or audit matters.

5. The Committee may engage and communicate directly and independently with outside legal and other advisors for the Committee as required and set and pay the compensation of such advisors.
6. On a yearly basis, the Committee will review the Audit Committee Charter and where appropriate recommend changes to the board of directors.

IV. SECRETARY

The Secretary of the Committee will be appointed by the Chair.

V. MEETINGS

1. The Committee shall meet at such times and places as the Committee may determine, but no less than four times per year. At least annually, the Committee shall meet separately with management and with the external auditors.
2. Meetings may be conducted with members present, in-person, by telephone or by video conference facilities.
3. A resolution in writing signed by all the members of the Committee is valid as if it had been passed at a meeting of the Committee.
4. Meetings of the Audit Committee shall be held from time to time as the Audit Committee or the Chair of the Committee shall determine upon 48 hour notice to each of its members. The notice period may be waived by a quorum of the Committee.
5. The external auditors or any member of the Committee may also call a meeting of the Committee. The external auditors of the Corporation will receive notice of every meeting of the Committee.
6. The board shall be kept informed of the Committee's activities by a report, including copies of minutes, at the next board meeting following each Committee meeting.

VI. QUORUM

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee.

VII. DEFINITIONS

In accordance with *Multilateral Instrument 52-110 - Audit Committee*,

"Financially literate" means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation.

APPROVED BY THE BOARD OF DIRECTORS

SCHEDULE "B"

KWG RESOURCES INC.
STOCK OPTION PLAN
(amended as of [February 7, 2023](#))

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1. PURPOSE OF PLAN

1.1. The purpose of the plan is to attract, retain and motivate persons as directors, employees and consultants of the Corporation and its subsidiaries and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options, to acquire a proprietary interest in the Corporation and participate in increases of shareholder value.

2. DEFINED TERMS

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1. “*board*” means the board of directors of the Corporation or the executive committee or any another committee duly constituted and authorized to act on behalf of the board in the matter of the stock option plan;
- 2.2. “*business day*” means any day (other than a Saturday, Sunday or statutory holiday in the Province of Ontario) on which an Exchange is open for trading;
- 2.3. “*Corporation*” means collectively KWG RESOURCES INC. and its subsidiaries;
- 2.4. “*eligible person*” means any director, employee or consultant of the Corporation;
- 2.5. “*Exchange*” means any exchange on which the shares are listed;
- 2.6. “*insider*” means a director or an officer of the Corporation;
- 2.7. “*market price*” at any date in respect of the shares shall be the highest closing price of such shares on any Exchange on the last business day preceding the date on which the option is approved by the board; provided that in the event that such shares did not trade on such business day, the market price shall be the average of the bid and ask prices in respect of such shares at the close of trading on such date and provided further that in the event that such shares are not listed and posted for trading on any stock exchange at the applicable time, the market price shall be the fair market value of such shares as determined by the board in its sole discretion;
- 2.8. “*option*” means an option to purchase shares granted under the plan;
- 2.9. “*option price*” means the price per share at which shares may be purchased under an option, as the same may be adjusted from time to time in accordance with Section 8;
- 2.10. “*optionee*” means any eligible person to whom an option has been granted;
- 2.11. “*plan*” means the Corporation’s stock option plan, as described herein, as same may be amended from time to time;
- 2.12. “*shareholder approval date*” means the date on which the shareholders of the Corporation most recently approved the plan or any amendment, renewal or extension of the plan;
- 2.13. “*shares*” means either one or any combination of:
 - (a) the Subordinate Voting Shares of the Corporation and
 - (b) the Multiple Voting Shares of the Corporation

as currently constituted or, in the event of an adjustment contemplated by Section 8, such other shares or securities to which an optionee may be entitled upon the exercise of an option as a result of such adjustment; and

2.14. “*subsidiary*” means any corporation controlled by the Corporation (i.e. in which the Corporation holds an interest greater than 50% of the voting rights governing the election of directors).

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3. ADMINISTRATION OF THE PLAN

3.1. The plan shall be administered in accordance with any rules and policies of an Exchange in respect of stock option plans. The board shall receive recommendations of management and shall determine from time to time those directors, employees and consultants of the Corporation to whom options may be granted and the terms and conditions of the grant.

3.2. The board shall have the power, where consistent with the general purpose and intent of the plan and subject to the specific provisions of the plan:

- (a) to establish policies and to adopt, prescribe, amend or vary rules and regulations for carrying out the purposes, provisions and administration of the plan and to make all other determinations necessary or advisable for management of the plan;
- (b) to interpret and construe the plan and to determine all questions arising out of the plan and any option granted pursuant to the plan and any such interpretation, construction or determination made by the board shall be final, binding and conclusive for all purposes;
- (c) to grant options;
- (d) to determine the class and number of shares covered by each option;
- (e) to determine the option price;
- (f) to determine the period when the options will be vested and may be exercised;
- (g) to determine if the shares to be issued upon the exercise of an option are to be subject to any restrictions; and
- (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of options which initially shall be substantially in the form annexed hereto.

4. SHARES SUBJECT TO THE PLAN

4.1. Options may be granted in respect of authorized and unissued Subordinate Voting Shares or Multiple Voting Shares or any combination thereof representing shares holding up to a maximum of ~~twenty percent (20%)~~ of the voting rights attached to all Subordinate Voting Shares and Multiple Voting Shares outstanding at the time of ~~the most recent shareholder approval date~~, provided that:

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(a) the maximum number of Subordinate Voting Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all options on Subordinate Voting Shares outstanding at any particular time shall not exceed ~~twenty percent (20%)~~ of:

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- (i) the number of Subordinate Voting Shares issued and outstanding at the particular time; plus:
- (ii) the number of Multiple Voting Shares issued and outstanding at the applicable time multiplied by one hundred (100), minus:
- (iii) the number of options on Multiple Voting Shares outstanding at the applicable time multiplied by one hundred (100); and

(b) the maximum number of Multiple Voting Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all options on Multiple Voting Shares outstanding at any particular time shall not exceed ~~twenty percent (20%)~~ of:

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- (i) the number of Multiple Voting Shares issued and outstanding at the particular time; plus:
- (ii) the number of Subordinate Voting Shares issued and outstanding at the applicable time divided by one hundred (100); minus:
- (iii) the number of options on Subordinate Voting Shares outstanding at the applicable time divided by one hundred (100).

4.2. No fractional options may be granted under the plan and no fractional shares may be purchased or issued under the plan.

4.3. An option to purchase one (1) Multiple Voting Share may be exercised to purchase one Multiple Voting Share or, at the election of the optionee, may be exercised to purchase one hundred (100) Subordinate Voting Shares.

4.4. An option to purchase one (1) Subordinate Voting Share may be exercised to purchase one Subordinate Voting Share or, at the election of the optionee, options to purchase one hundred (100) Subordinate Voting Shares may be exercised to purchase one (1) Multiple Voting Share.

5. ELIGIBILITY, GRANT AND TERMS OF OPTIONS

5.1. Options may only be granted to the directors, employees and consultants the Corporation.

5.2. Options are non-assignable and non-transferable.

5.3. Options that have been cancelled or that have expired without being exercised continue to be issuable under the plan.

5.4. At no time shall the period during which an option is exercisable exceed five (5) years from the date of grant.

5.5. If required by applicable securities law or securities regulatory requirements, options and, if applicable, listed shares issued on the exercise of options must be legended with a four-month hold period commencing on the date on which the options were granted.

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5.6. (a) The option price of Subordinate Voting Shares which are the subject of any option shall in no circumstances be lower than (i) the market price of the Subordinate Voting Shares at the close of markets on the business day immediately prior to the date of the grant of the option or (ii) the minimum exercise price permissible for Subordinate Voting Shares under the policies of any Exchange.

(b) The option price of Multiple Voting Shares which are the subject of any option shall in no circumstances be lower than (i) the market price of the Multiple Voting Shares at the close of markets on the business day immediately prior to the date of the grant of the option or (ii) the minimum exercise price for Multiple Voting Shares permissible under the policies of any Exchange.

5.7. The maximum number of shares which may be reserved for issuance pursuant to any grant or grants of options to insiders (as a group) shall not, in any 12-month period, exceed twenty percent (20%) of the number of Subordinate Voting Shares and Multiple Voting Shares outstanding at the most recent shareholder approval date calculated on the basis that all Multiple Voting Shares shall be deemed to have been converted to Subordinate Voting Shares by using a multiplication factor of one hundred (100) and all options on Multiple Voting Shares shall be deemed to have been converted to options on Subordinate Voting Shares by using a multiplication factor of one hundred (100).

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5.8. The maximum number of shares which may be reserved for issuance pursuant to any grant or grants of options to any one optionee shall not, in any 12-month period, exceed 5% of the number of Subordinate Voting Shares and Multiple Voting Shares outstanding at the date of the grant (on a non-diluted basis) calculated on the basis that all Multiple Voting Shares shall be deemed to have been converted to Subordinate Voting Shares by using a multiplication factor of one hundred (100) and all options on Multiple Voting Shares shall be deemed to have been converted to options on Subordinate Voting Shares by using a multiplication factor of one hundred (100).

5.9. The maximum number of shares which may be reserved for issuance pursuant to any grant or grants of options to any consultant shall not, in any 12-month period, exceed 2% of the number of Subordinate Voting Shares and Multiple Voting Shares outstanding at the date of the grant (on a non-diluted basis) calculated on the basis that all Multiple Voting Shares shall be deemed to have been converted to Subordinate Voting Shares by using a multiplication factor of one hundred (100) and all options on Multiple Voting Shares shall be deemed to have been converted to options on Subordinate Voting Shares by using a multiplication factor of one hundred (100).

5.10. The maximum number of shares which may be reserved for issuance pursuant to any grant or grants of options to persons employed to provide investor relations activities shall not, in any 12-month period, exceed 2% of the number of Subordinate Voting Shares and Multiple Voting Shares outstanding at the date of the grant (on a non-diluted basis) calculated on the basis that all Multiple Voting Shares shall be deemed to have been converted to Subordinate Voting Shares by using a multiplication factor of one hundred (100) and all options on Multiple Voting Shares shall be deemed to have been converted to options on Subordinate Voting Shares by using a multiplication factor of one hundred (100).

5.11. Options issued to consultants performing investor relations activities must vest in stages over a period of not less than twelve (12) months with no more than one quarter (1/4) of such options vesting in any three-month period.

5.12. For stock options granted to employees or consultants, the Corporation must ensure that the optionee is a *bona fide* employee or consultant, as the case may be.

5.13. Subject to Section 5.11 above, options must vest as follows:

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(a) 25% at the date of the grant and

(b) 12.5% at the end of each three-month period thereafter,

or such other percentage(s) and period(s) determined by the board at the time of the grant thereof.

6. EXERCISE OF OPTIONS

6.1. Subject to the provisions of the plan, an option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the secretary of the Corporation specifying the class and number of shares with respect to which the option is being exercised and accompanied by full payment in cash or by certified cheque, money order, bank draft or other form of payment acceptable to the Corporation, payable to the order of the Corporation, of the option price of the shares to be purchased at that time. Certificates for such shares shall be issued and delivered to the optionee within a reasonable period of time following the receipt of such notice and payment.

6.2. Notwithstanding any of the provisions contained in the plan or in any option, the Corporation's obligation to issue shares to an optionee pursuant to the exercise of an option shall be subject to:

- (a) obtaining approval of such governmental or regulatory authority as counsel to the Corporation shall reasonably determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the receipt from the optionee of such representations as the Corporation or its counsel reasonably determines to be necessary or advisable in order to safeguard against the violation of the securities laws or regulatory requirements of any jurisdiction;
- (c) the receipt of such tax remittances for income taxes or withholdings thereof as the Corporation or its counsel reasonably determines to be required in order to comply with the *Income Tax Act* (Canada) or the taxation legislation of any other jurisdiction having authority over the Corporation or the optionee exercising such option.

7. TERMINATION OF EMPLOYMENT OR MANDATE, DEATH

7.1. Subject to any provision of the plan and any express resolution passed by the board with respect to an option, an option and all rights to purchase pursuant thereto, shall expire at the earlier of (i) the expiry date thereof or (ii) ninety (90) days after the optionee ceases to be a director, employee or consultant of the Corporation or, if the optionee provides investor relation services, thirty (30) days after the end of such optionee's mandate.

7.2. In case of the death of an optionee, any option may, subject to the terms thereof and any other terms of the plan, be exercised by the legal representative(s) of the estate of the deceased optionee at any time during the twelve (12) months following the death of the optionee but prior to the expiry of the option and only to the extent that such option had vested and the optionee was entitled to exercise such option at the date of death.

8. CHANGE IN CONTROL AND CERTAIN ADJUSTMENTS

8.1. Notwithstanding any other provision of this plan, in the event of:

- (a) the acquisition by any person who was not, immediately prior to the effective time of the acquisition, a registered or a beneficial shareholder in the Corporation, of shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that, after the completion of such acquisition, such person would be entitled to exercise thirty percent (30%) or more of the votes entitled to be cast at a meeting of the shareholders; or
- (b) the sale by the Corporation of all or substantially all of the property or assets of the Corporation;

then, notwithstanding that at the effective time of such transaction an option may not be fully vested or for any other reason the optionee may not be entitled to all of the shares granted by an option, the optionee shall be entitled to exercise such options to the full amount of the shares granted by the option within ninety (90) days of the close of any such transaction.

8.2. With respect to options granted or to be granted, appropriate adjustments, in the number of shares optioned and in the option price shall be made by the board to give effect to adjustments in the number of shares of the Corporation resulting from reclassifications, subdivisions or consolidations of the shares of the Corporation, the payment of stock dividends or cash dividends by the Corporation (other than dividends in the ordinary course), the distribution of securities, property or assets by way of dividend or otherwise (other than dividends in the ordinary course), or other relevant changes in the capital stock of the Corporation or the amalgamation or merger of the Corporation with or into any other entity, subsequent to the approval of the plan by the board. The appropriate adjustment in any particular circumstance shall be conclusively determined by the board in its sole discretion, subject to approval by the shareholders of the Corporation and to acceptance by the Exchange, if applicable.

9. AMENDMENTS OR DISCONTINUANCE OF PLAN

9.1. The board may amend or discontinue the plan at any time upon receipt of requisite regulatory approvals; provided, however, that no such amendment may increase the maximum number of shares that may be optioned under the plan, change

the manner of determining the minimum option price or alter or impair any of the terms of any option previously granted to an optionee under the plan.

9.2. A disinterested shareholder approval must be obtained for any reduction in the price of any option if the applicable optionee is an insider of the Corporation at the time of the proposed amendment.

10. MISCELLANEOUS PROVISIONS

10.1. The holder of an option shall not have any rights as shareholder of the Corporation with respect to any of the shares covered by such option until (i) such holder shall have exercised such option in accordance with the terms of the plan (including tendering payment in full of the option price of the shares in respect of which the option is being exercised) and (ii) the Corporation shall have issued the corresponding shares.

10.2. Nothing in the plan or any option shall confer upon an optionee any right to continue in the employ of the Corporation or affect in any way the right of the Corporation to terminate such optionee's employment at any time.

11. SHAREHOLDERS AND REGULATORY APPROVAL

11.1. Any amendments to the plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation and to acceptance by any regulatory authorities having jurisdiction. Any options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given.

APPROVED BY THE BOARD OF DIRECTORS

SCHEDULE TO STOCK OPTION PLAN, AS AMENDED

STOCK OPTION CERTIFICATE

KWG RESOURCES INC. (the "**Corporation**"), for good and valuable consideration, hereby grants to the optionee set forth below an option to purchase shares of the Corporation. The option shall be subject to the terms and conditions set forth in the Corporation's stock option plan (the "plan"), as the same may be amended or replaced from time to time and, in addition, shall be subject to the terms set forth below:

OPTIONEE: _____
POSITION WITH THE CORPORATION: _____
CLASS OF SHARES: _____
NUMBER OF SHARES OF THAT CLASS: _____
OPTION PRICE: _____
EXPIRY DATE: _____
RIGHTS OF EXERCISE: _____

At 5:00 p.m. (Toronto time) on the expiry date, the options represented hereby will expire and terminate and be of no further force and effect whatsoever as to any shares for which the options represented hereby have not been exercised.

Where used herein all defined terms shall have the respective meanings attributed thereto in the plan. The options represented hereby are not assignable or transferable.

DATED this ____ day of _____, 20__.

KWG RESOURCES INC.

Per: _____
Authorized officer of the Corporation

The undersigned hereby acknowledges receipt of a copy of the plan and accepts and agrees to the grant of the options represented hereby on the terms and conditions set forth herein and in the plan effective as of the date above written.

SIGNED this ____ day of _____, 20__.

Signature of Optionee