

**RECHARGE RESOURCES LTD.**

**Annual General Meeting of Shareholders**

**to be held on**

**Monday, May 13, 2024**

**NOTICE OF MEETING**

**and**

**INFORMATION CIRCULAR**

April 3, 2024



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of **Recharge Resources Ltd.** (the “**Company**”) will be held at via Zoom on Monday, May 13, 2024 at the hour of 10:00 am (Pacific Time) for the following purposes:

1. To receive the audited annual financial statements of the Company for the fiscal year ended December 31, 2023;
2. To set the number of directors of the Company at four (4);
3. To elect the directors of the Company for the ensuing year;
4. To appoint the Company’s auditor for the ensuing year and to authorize the directors to fix their remuneration; and
5. To transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

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

Shareholders of record as of the close of business on April 3, 2024 (the “**Record Date**”) will be entitled to vote at the Meeting and at any adjournment or adjournments thereof.

Registered Shareholders will receive a Circular and an Instrument of Proxy (the “**Proxy**”) with this Notice of Meeting. Non-registered (beneficial) Shareholders will receive a Voting Instruction Form (“**VIF**”) instead of a Proxy. The Circular provides additional information relating to the matters to be dealt with at the Meeting. A Shareholder who is unable to attend the Meeting in person is entitled to appoint a proxyholder to attend and vote in his stead. The enclosed Proxy is solicited by management but you may amend it, if you so desire, by striking out the names of the management proxyholders shown and inserting in the space provided the name of the person you wish to represent you at the Meeting. If you cannot be personally present, please complete and sign the Proxy and then deposit the Proxy with Endeavor Trust Corporation as set out below.

**Registered Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Shares will be voted at the Meeting are asked to complete, date and sign the enclosed Proxy or complete another suitable form of proxy and deliver it to Endeavor Trust Corporation at their offices located at 702-777 Hornby Street, Vancouver, BC, V6Z 1S4, by mail or fax (604-559-8908), or email [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com), in accordance with the instructions set out in the Proxy and in the Circular, at least 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays), or any adjournment thereof.**

**A Non-registered (beneficial) Shareholder who plans to attend the Meeting must follow the instructions set out in the Circular to ensure that their Shares are voted at the Meeting. If you hold your Shares in a brokerage account you are a Non-registered (beneficial) Shareholder.**

### **ZOOM MEETING DETAILS:**

In order to dial into the Meeting within Canada, shareholders can phone 1.778.907.2071 or in the United States, shareholders can phone 1.669.444 9171 and enter the Meeting ID and Password noted below.

Alternatively, you can find your local number at: <https://us06web.zoom.us/j/kxHWEPFey>

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://us06web.zoom.us/j/84258483658?pwd=MhCZIUbwFrtPGOIaf7zsmHy9k5Hinr.1>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 842 5848 3658

Passcode: 926000

In order to assist the Scrutineer with attendance, shareholders are asked to log into the Meeting with their First and Last Names.

DATED at Vancouver, British Columbia, this 3<sup>rd</sup> day of April, 2024.

**BY ORDER OF THE BOARD**

*(signed) David Greenway*

\_\_\_\_\_  
David Greenway, Director and CEO



## INFORMATION CIRCULAR

*(with information as of April 3, 2024, unless otherwise stated)*

### INTRODUCTION

**This information circular dated April 3, 2024 (the “Circular”) is furnished to you in connection with the solicitation of proxies by management of Recharge Resources Ltd. (“we”, “us” or the “Company”) for use at the Annual General Meeting (the “Meeting”) of shareholders of the Company (the “Shareholders”) to be held on Monday, May 13, 2024 and at any adjournment of the Meeting. “Shares” means common shares without par value in the capital of the Company. The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact Shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse Shareholders, nominees or agents (including brokers holding Shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.**

### APPOINTMENT OF PROXY HOLDER

**The persons named as proxy holders in the enclosed form of proxy are the Company’s directors or officers. As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

### VOTING BY PROXY

**The persons named in the accompanying form of proxy will vote or withhold from voting the Shares represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your Shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your Shares will be voted in favour of all matters.**

**The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgement.**

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an “X” in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the proxy holders nominated by management will vote the Shares represented by your proxy in accordance with their judgment.**

### RETURN OF PROXY

You must deliver the completed form of Proxy to the office of the Company’s registrar and transfer agent, Endeavor Trust Corporation at their offices located at 702-777 Hornby Street, Vancouver, BC, V6Z 1S4, by mail or fax (604-

559-8908), or email [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com), not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

### **ADVICE TO NON-REGISTERED SHAREHOLDERS**

Only Shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting. Most of our Shareholders are “non-registered” Shareholders because their Shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “Nominee”). If you purchased your Shares through a broker, you are likely a non-registered shareholder.

Non-registered Shareholders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “NOBOs”. Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting materials, being the Notice of Meeting, this Circular, and the form of Proxy indirectly to NOBOs and OBOs through the Nominees for onward distribution.

Nominees are required to forward the Meeting materials to each NOBO unless the NOBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered shareholder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

Management of the Company does not intend to pay for nominees to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

In either case, the purpose of this procedure is to permit non-registered Shareholders to direct the voting of the Shares they beneficially own. Should a non-registered shareholder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered shareholder may request a legal proxy as set forth in the VIF, which will grant the non-registered shareholder or his/her nominee the right to attend and vote at the Meeting. Non-registered Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

### **REVOCAION OF PROXY**

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- a) signing a proxy bearing a later date; or
- b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the Proxy.

The later proxy or the notice of revocation must be delivered to the office of the Company’s registrar and transfer agent or to the Company’s head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

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

Persons who are registered Shareholders of Shares at the close of business on April 3, 2024 (the “**Record Date**”), are entitled to receive notice of and to attend and vote at the Meeting or any adjournment of the Meeting.

The authorized capital of the Company consists of an unlimited number of Shares without par value. As of April 3, 2024, the Company had **50,857,441** Shares issued and outstanding.

To the knowledge of the directors and senior officers of the Company, no one person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding Shares.

#### **Approval of Resolutions**

On a show of hands, every Shareholder and proxyholder will have one vote and, on a poll, every Shareholder present in person or represented by proxy will have one vote for each Common Share.

To approve a motion for an ordinary resolution, a majority of the votes cast by Shareholders in person or by proxy who vote in respect of that resolution must be in favour. In the event a motion proposed at the Meeting requires disinterested shareholder approval, Shares held by Shareholders who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

The following disclosure complies with the requirements of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for the Company during its year ended December 31, 2023.

For the purposes of this statement, the following definitions apply:

*“named executive officer” or “NEO” means each of the following individuals:*

*(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;*

*(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;*

*(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;*

*(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;*

For the purposes of the following disclosure, the Company’s NEOs for the year ended December 31, 2023 are: (a) David Greenway, CEO; and (b) Natasha Sever, CFO.

### **Director and Named Executive Compensation**

The following is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company's two most recent completed financial years ending December 31, 2023 and 2022:

<b>Table of compensation excluding compensation securities</b>						
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total Compensation (\$)</b>
<b>David Greenway<sup>(1)</sup></b> CEO, Chairman and Director	2023	240,000 <sup>(2)</sup>	150,000 <sup>(2)</sup>	Nil	Nil	390,000
	2022	160,000 <sup>(2)</sup>	220,000 <sup>(2)</sup>	Nil	Nil	380,000
<b>Natasha Sever<sup>(13)</sup></b> Former CFO	2023	120,000 <sup>(3)</sup>	50,000 <sup>(3)</sup>	Nil	Nil	170,000
	2022	110,000 <sup>(3)</sup>	33,500 <sup>(3)</sup>	Nil	Nil	143,500
<b>Andrew Mugridge<sup>(4)</sup></b> Director	2023	Nil	Nil	Nil	Nil	Nil
	2022	10,000 <sup>(5)</sup>	20,000 <sup>(5)</sup>	Nil	Nil	30,000
<b>Lawrence Segerstrom<sup>(6)</sup></b> Former Director	2023	27,261	Nil	Nil	Nil	27,261
	2022	Nil	20,329 <sup>(7)</sup>	Nil	Nil	20,329
<b>Yari Nieken<sup>(8)</sup></b> Former CEO, Chairman & Director	2023	N/A	N/A	N/A	N/A	N/A
	2022	200,000	100,000	Nil	Nil	300,000
<b>Bryson Goodwin<sup>(9)</sup></b> Former CEO, President & Director	2023	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil
<b>Joel Warawa<sup>(10)</sup></b> Former Director	2023	N/A	N/A	N/A	N/A	N/A
	2022	24,000 <sup>(11)</sup>	18,500 <sup>(11)</sup>	Nil	Nil	42,500
<b>Andreas Schleich<sup>(12)</sup></b> Former Director	2023	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil
<b>Bradley Dixon<sup>(14)</sup></b> Director	2023	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil
<b>Phillip Thomas<sup>(15)</sup></b> Director	2023	30,000	Nil	Nil	Nil	30,000
	2022	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Greenway was appointed as CEO, Chairman and a director on April 22, 2022.
- (2) Paid to Bam Bam Capital Corp., a private company of which Mr. Greenway is the Principal.
- (3) Paid to Denkota Capital Inc., a private company of which Ms. Sever is the Principal.
- (4) Mr. Mugridge was appointed a director on March 18, 2022.
- (5) Paid to Hotspur Capital Corp., a private company of which Mr. Mugridge is the Principal.
- (6) Mr. Segerstrom was appointed a director on August 16, 2022 and resigned on November 21, 2023.
- (7) Paid to Segerstrom Consulting LLC, a private company of which Mr. Segerstrom is the Principal.
- (8) Mr. Nieken resigned as CEO, Chairman and a director on May 9, 2022.
- (9) Mr. Goodwin resigned as CEO on March 31, 2020 and as President and a director on May 13, 2022.
- (10) Mr. Warawa resigned as a director on August 16, 2022.
- (11) Paid to JT War Consulting, a private company of which Mr. Warawa is the Principal.
- (12) Mr. Schleich resigned as a director on March 18, 2022.
- (13) Ms. Natasha Sever resigned as CFO and Corporate Secretary on January 15, 2024.
- (14) Mr. Dixon was appointed a director on November 20, 2023.
- (15) Mr. Thomas was appointed a director on November 21, 2023.

### **Stock Options and Other Compensation Securities**

The following compensation securities were granted, issued or issuable to the directors and NEOs by the Company in the most recently completed fiscal year ended December 31, 2023 for services provided or to be provided, directly or

indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price <sup>(1)</sup>	Closing price of security or underlying security on date of grant (\$) <sup>(1)</sup>	Closing price of security or underlying security at year end (\$) <sup>(1)</sup>	Expiry date
<b>David Greenway</b> CEO, Chairman and Director	Restricted share unit	400,000	20Nov2023	N/A	0.415	0.33	20Nov2024
<b>Natasha Sever</b> Former CFO	Restricted share unit	125,000	19Jun2023	N/A	0.68	0.33	19Jun2024
		150,000	20Nov2023	N/A	0.415	0.33	20Nov2024
<b>Andrew Mugridge</b> Director	Restricted share unit	62,500	19Jun2023	N/A	0.68	0.33	19Jun2024
		150,000	20Nov2023	N/A	0.415	0.33	20Nov2024
<b>Lawrence Segerstrom</b> Former Director	Restricted share unit	62,500	19Jun2023	N/A	0.68	0.33	19Jun2024
		100,000	20Nov2023	N/A	0.415	0.33	20Nov2024
<b>Yari Nieken</b> Former CEO, Chairman & Director	Stock option	400,000	12Oct2023	0.385	0.395	0.33	12Oct2024
	Restricted Share unit	250,000 400,000	09Mar2023 20Nov2023	N/A	1.10 0.415	0.33	09Mar2024 20Nov2024
<b>Bryson Goodwin</b> Former CEO, President & Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Joel Warawa</b> Former Director	Restricted share unit	37,500	19Jun2023	N/A	0.68	0.33	19Jun2024
		75,000	20Nov2023		0.415		20Nov2024
<b>Andreas Schleich</b> Former Director	Stock option	400,000	12Oct2023	0.385	0.395	0.33	12Oct2024
	Restricted share unit	125,000 200,000	9Mar2023 20Nov2023	N/A	1.10 0.415	0.33	9Mar2024 20Nov2024
<b>Bradley Dixon</b> Director	Restricted share unit	100,000	20Nov2023	N/A	0.415	0.33	20Nov2024
<b>Phillip Thomas</b> Director	Restricted share unit	400,000	December 31, 2023	N/A	0.34	0.33	31Dec24

(1) On August 21, 2023, the Company's shares consolidated on a 2:1 basis. The numbers shown reflect the consolidation.



### Exercise of Stock Options

During the fiscal year ended December 31, 2023, the following NEOs and directors exercised compensation securities.

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Total value on exercise date (\$)
<b>David Greenway</b> CEO, Chairman and Director	N/A	N/A	N/A	N/A	N/A	N/A
<b>Natasha Sever</b> Former CFO	Restricted share unit	175,000	N/A	21Jun2023	0.69	120,750
		125,000	N/A	23Oct2023	0.48	60,000
<b>Andrew Mugridge</b> Director	Restricted share unit	62,500	N/A	01Sep23	0.36	22,500
<b>Lawrence Segerstrom</b> Former Director	Restricted share unit	50,000	N/A	03Jan23	0.60	30,000
		62,500	N/A	01Sep23	0.36	22,500
		100,000	N/A	29Nov23	0.405	40,500
<b>Yari Nieken</b> Former CEO, Chairman & Director	Stock options	125,000	0.76	14Mar23	0.84	105,000
		400,000	0.385	10Nov23	0.355	142,000
	Restricted share unit	250,000	N/A	10Jul23	0.50	125,000
<b>Bryson Goodwin</b> Former CEO, President & Director	N/A	N/A	N/A	N/A	N/A	N/A
<b>Joel Warawa</b> Former Director	Restricted share unit	37,500	N/A	23Oct23	0.48	18,000
<b>Andreas Schleich</b> Former Director	Restricted share unit	125,000	N/A	10Jul23	0.50	62,500
<b>Bradley Dixon</b> Director	Restricted share unit	50,000	N/A	03Jan23	0.60	30,000
<b>Phillip Thomas</b> Director	N/A	N/A	N/A	N/A	N/A	N/A

### External Management Companies

The Company has not engaged the services of an external management company to provide executive management services to the Company, directly or indirectly.

## **Stock Options and Other Incentive Plans**

### *Stock Option Plan*

The Company has a 10% rolling stock option plan (the “**Option Plan**”) for the granting of stock options to the directors, officers, employees and consultants of the Company.

The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company’s shareholders. The allocation of options under the Option Plan is determined to the Board of Directors (the “**Board**”) which, in determining such allocations, considers such factors as previous grants to individuals, overall Company performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company’s affairs and time expended for serving on the Company’s audit committee (the “**Audit Committee**”).

The Option Plan was ratified, confirmed and approved at the Company's annual general and special meeting held on August 16, 2022.

### *Restricted Share Unit Plan*

The Company has a 10% rolling restricted share unit plan (the “**RSU Plan**”), which RSU Plan is designed to provide certain directors, officers, consultants and other key employees (an “**Eligible Person**”) of the Company and its related entities with the opportunity to acquire restricted share units (“**RSUs**”) of the Company. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Person’s interests with that of the shareholders. Capitalized terms used but not defined have the meanings ascribed to them in the RSU Plan, a copy of which can be obtained from the Company or on the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The RSU Plan allows the Company to award, in aggregate, up to a rolling 10% maximum of the issued and outstanding Shares from time to time, under and subject to the terms and conditions of the RSU Plan. The grant of an RSU award pursuant to the RSU Plan entitles the participant thereunder (the “**Participant**”) the conditional right to receive for each RSU credited to the Participant’s account, at the election of the Board, either (a) one Share of the Company, or (b) an amount in cash, net of applicable taxes and contributions to government sponsored plans, as determined by the Board, equal to the Market Price (as defined in the RSU Plan) of one Share for each vested RSU credited. Fractional Shares will not be issued pursuant to the RSU Plan, and any fractional entitlement arising is to be settled by adjustment such that the Participant shall only have the right to receive the next lowest whole number of Shares.

The RSU Plan was ratified, confirmed and approved at the Company's annual general and special meeting held on August 16, 2022.

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

The Company has not entered into any agreement or arrangement under which compensation was provided during the fiscal year ended December 31, 2023 or is payable in respect of services provided to the Company or any of its subsidiaries that were: (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

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

The Board as a whole has the responsibility of determining the compensation for the NEOs, directors and other senior management.

The Company’s compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;

- to create among directors, officers, consultants and employees a sense of ownership in the Company and to align their interests with those of the Shareholders; and
- to ensure competitive compensation that is also financially affordable for the Company.

The compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's NEOs may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;
- Stock option grants; and/or
- Bonuses.

The objective and reason for this system of compensation is to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Board relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs and directors for success on a similar basis as the Shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to mineral exploration, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

#### Pension Disclosure

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement. The Company also does not have any deferred compensation plans relating to any NEO.

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

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders (Option Plan)	725,000	\$0.53	4,000,744
Equity compensation plans approved by securityholders (RSU Plan)	3,850,000	\$0.45	875,744
Equity compensation plans not approved by securityholders	0	N/A	0
<b>Total</b>	<b>4,575,000</b>		<b>4,876,488</b>

## **AUDIT COMMITTEE**

The Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* (“NI 52-110”) under this heading. The Company is a “venture issuer” under NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110.

### **Audit Committee Charter**

The Charter of the Company’s Audit Committee is included as Schedule “A” to this Circular.

### **Composition of the Audit Committee**

The Audit Committee is currently comprised of the Company’s three directors: David Greenway, Andrew Mugridge and Bradley Dixon. Mr. Mugridge and Mr. Dixon are considered to be independent in accordance with NI 52-110. Mr. Greenway, the Company’s Chief Executive Officer and Chairman, is not independent. All three Audit Committee members are financially literate.

### **Relevant Education and Experience**

All of the members of the Audit Committee are financially literate, in that they have the ability to read and understand a balance sheet, an income statement, a cash flow statement and the notes attached thereto. Additionally, all of the members of the Audit Committee have accounting or related financial experience and are able to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with international financial reporting standards.

#### ***David Greenway***

Mr. Greenway brings more than two decades of experience in managing, financing and developing growth strategies for various TSX Venture Exchange and Canadian Securities Exchange listed companies, including involvement in acquisitions, business valuations and investor relations. His key expertise lies in the management and development of junior public resource companies, especially in the mining, and oil and gas sector. He has held directorships, senior management and business development positions.

#### ***Andrew Mugridge***

Andrew Mugridge has extensive experience consulting public traded resources exploration companies since entering the industry in 2006. Beyond serving in several officer, director, and senior management positions with TSX and TSX-Venture listed companies, Andrew ran a successful investor relations firm (2006-2014) and is currently a principle of a financial advisory firm in Vancouver, British Columbia.

#### ***Bradley Dixon***

Mr. Dixon is an attorney based in Boise, Idaho, and a partner with Givens Pursley LLP. He is the co-chair of the Givens Pursley Litigation Group and focuses his practice on a variety of complex commercial litigation matters. In his 23 years of experience, Mr. Dixon has amassed a significant portfolio of trial experiences in a variety of commercial disputes including construction litigation, secured transactions, real estate, employment, and natural resources. He is a graduate of Boise State University where he earned a Bachelor of Science in Political Science (1997) with an emphasis on constitutional law and public policy and received his Juris Doctor from Willamette University College of Law (2000) in Salem, Oregon.

### **Audit Committee Oversight**

At no time since the beginning of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by our Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on exemptions in relation to "De Minimis Non-audit Services" or any exemption provided by Part 8 of NI 52- 110.

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

Pursuant to the terms of the Charter the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

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

The Audit Committee has reviewed the nature and amount of the non-audit services provided by Saturna Group Chartered Accountants LLP ("**Saturna Group**") to ensure auditor independence. Fees incurred by Saturna Group for audit and non-audit services in the last two fiscal years are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid to Saturna Group in Fiscal Year Ended December 31, 2023</b>	<b>Fees Paid to Saturna Group in Fiscal Year Ended December 31, 2022</b>
Audit Fees <sup>(1)</sup>	\$29,000	\$12,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$6,300	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$35,300</b>	<b>\$12,000</b>

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services normally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

### **Exemption**

The Company is relying on the exemption in section 6.1 of NI 52-110, which exempts issuers whose Shares are listed on the Exchange from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE**

*National Instrument 58-101 Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose their governance practices in accordance with NI 58-101. The Company is a "venture issuer" within the meaning of NI 58-101. A discussion of the Company's governance practices within the context of NI 58-101 is set out below.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship that could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Andrew Mugridge and Lawrence Segerstrom are "independent" directors in that they are independent and free from any interest and any business or other relationship, which could or could reasonably be perceived to materially interfere with their ability to act within the best interests of the Company, other than the interests and relationships arising from their shareholdings.

The Board facilitates its independent supervision over management by choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. Further supervision is performed through the Audit Committee who may meet with the Company's auditors without management being in attendance.

### **Directorship**

The directors of the Company are also currently directors of other reporting issuers, as follows:

David Greenway	Ultra Brands Ltd. Majuba Hill Copper Corp. Montego Resources Inc. Quantum Battery Metals Corp.
Andrew Mugridge	None
Phillip Thomas	None
Bradley Dixon	Majuba Hill Copper Corp.

### **Board Mandate**

The Board does not have a written mandate. The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

### **Position Descriptions**

The Board has not developed written position descriptions for the President and CEO of the Company or for the Chair of the Audit Committee. The size and nature of the Company's business allows each director or officer to understand his role in progressing the Company's operations.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's business, technology and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management to give the directors additional insight into the Company's business. Individual directors are responsible for maintaining their own education, skills and knowledge at an appropriate level. Board members are encouraged to attend educational courses or presentations in relation to the Company's projects or the industry within which the Company operates.

### **Ethical Business Conduct**

The Board has not, to date, adopted a formal written Code of Ethical Business Conduct. The current limited size of the Company's operations, and the small number of officers and employees allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. The Board is aware of the recommendation in National Policy 58-201 *Corporate Governance Guidelines* to adopt a written code of business conduct and ethics and is reviewing different standards that may be appropriate for the Company to adopt.

To date, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the

Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director must disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The disclosure must be evidenced in writing by being included in the consent resolutions or minutes of the meeting that approved the transaction or in a written disclosure delivered to the Company's records office. Unless the director properly discloses his interest and has the transaction properly approved, he may be liable to account to the Company for any profit he makes as a result of the transaction, unless the court finds that the transaction was fair and reasonable to the Company. Once the appropriate disclosure has been made by the interested director, the transaction must be approved by the directors or by the Shareholders by special resolution. An interested director would not be entitled to vote at meetings of directors which evoke any such conflict.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees to fill vacancies and for the next annual meeting the Shareholders. The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, this policy may be reviewed in the future depending on the circumstances of the Company.

### **Compensation**

The Board periodically reviews the compensation paid to directors, management and other employees based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in the industry in North America and the Company's current position as an exploration company with limited operating revenue.

The Board does not have a compensation committee, and these functions are currently performed by the Board as a whole. However, this policy may be reviewed in the future depending on the circumstances of the Company.

### **Other Board Committees**

The Board has no committees other than the Audit Committee.

### **Assessments**

The Board conducts periodic assessments of its members including individual assessments to determine if the Board, its committee and the individual directors are performing efficiently. Based on the Company's size, stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. As the activities of the Company develop, it will consider the establishment of more formal evaluation procedures, including more quantitative measures of performance.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

During the last completed financial year, no director, executive officer, or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed nominee for election as a director of the Company, and/or associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

An "informed person" means:

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

## MANAGEMENT CONTRACTS

Management functions of the Company are generally performed by directors and executive officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Election of Directors

At the Meeting, the Board will seek Shareholder approval to the ordinary resolution to set the number of directors for the Company at four (4) for the ensuing year, subject to such increases as may be permitted by the Articles of the Company and the *Business Corporations Act* (British Columbia) (the "BCBCA").

The Board proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until their successor is duly elected or appointed, unless the office is vacated earlier in accordance with the Articles of the Company or the BCBCA, or if the director becomes disqualified to act as a director.

The following table sets out the names of management's nominees for election as director, the jurisdiction in which each is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each has been a director of the Company, the respective current principal occupations or employments (and for the past five years for new nominees), and the number of Shares, which each beneficially owns, directly or indirectly, or over which control or direction is exercised as at the date of this Circular.

Name, Jurisdiction of Residence and Position Held with the Company	Principal Occupation During the Past Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
David Greenway <sup>(2)</sup> British Columbia, Canada CEO, <i>Chairman &amp; Director</i>	President & CEO of Majuba Hill Copper Corp. from 2018 to present; Previously CEO of Chief Consolidated Gold Mines from 2014-2019.	May 9, 2022	3,455,667 <sup>(3)</sup>



Name, Jurisdiction of Residence and Position Held with the Company	Principal Occupation During the Past Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
<b>Andrew Mugridge</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	VP Investors Relations at Timpi Inc. from 2022 to present; Financial Advisor of Hotspur Financial Services Ltd. from 2021 to 2023; Representative of ZLC Wealth Inc. from 2015 to 2021.	March 20, 2022	150,000
<b>Phillip Thomas</b> <sup>(2)</sup> Victoria, Australia <i>Director</i>	Geologist FAusIMM MAIG MAIMVA QP lithium brines, gold, copper iron ore; Previously CEO and COO of A.I.S Resources Ltd. from 2016 to 2022 and CEO of Spey Resources Corp. from 2022 to 2023. QP Recharge Resources 2022 to present.	November 21, 2023	400,000
<b>Bradley Dixon</b> <sup>(2)</sup> Idaho, United States <i>Director</i>	Attorney at Givens Pursley LLP from 2015 to present; Director of Majuba Hill Copper Corp. from 2020 to present.	November 20, 2023	100,000

- (1) This information as to principal occupation and number of Shares owned, not being within the knowledge of the Company, has been furnished by the respective directors individually and www.Sedi.ca.
- (2) Member of the Audit Committee.
- (3) 81,667 Shares are held indirectly through 1113300 B.C. Ltd. and 1,682,000 Shares are held indirectly through Bam Bam Capital Corp.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and officers of the Company acting solely in such capacity.

#### Penalties, Sanctions and Cease Trade Orders

Other than as disclosed below, within the last 10 years before the date of this management proxy circular, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this management proxy circular is prepared) acted in that capacity for a company that was:

- a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade 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;
- c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On July 13, 2011, the British Columbia Securities Commission (the “BCSC”) issued a notice of hearing alleging that the Company’s CEO and director, David Greenway, contravened section 57.2(2) of the Securities Act (BC) by purchasing 68,500 shares of Global Uranium Corp. (“Global”) while being in a special relationship with Global and with knowledge of a material fact relating to Global that had not been generally disclosed. The purchases took place

between March 31 and April 16, 2010.

The BCSC determined in their February 22, 2012 decision that David Greenway had inadvertently breached section 57.2(2) of the Securities Act (BC). Accordingly, the BCSC issued the following sanctions:

- Mr. Greenway was banned from trading securities of any issuer with whom he is in a special relationship until the later of July 22, 2012 and until he paid a \$19,177 administrative penalty; and

The administrative penalty has been paid in full and Mr. Greenway's trading ban has subsequently expired.

The Board recommends that the Shareholders approve the appointment of management's nominees for election as directors of the Company to hold office until the next annual general meeting of the Company by voting FOR this resolution at the Meeting.

In order to be effective, the foregoing ordinary resolution must be passed by a simple majority of the votes cast by Shareholders voting on the resolution in person or by proxy at the Meeting.

**Unless otherwise instructed, the proxies given in this solicitation will be voted in favour of the appointment of management's nominees for election as directors of the Company to hold office until the next annual general meeting of the Company.**

## **2. Appointment of Auditor**

Management proposes that Saturna Group of Vancouver, British Columbia, be re-appointed as auditors for the Company for the ensuing year, at a remuneration to be fixed by the directors.

In order to be effective, the foregoing ordinary resolution must be passed by a simple majority of the votes cast by Shareholders voting on the resolution in person or by proxy at the Meeting.

The Board recommends that the Shareholders re-approve the appointment of Saturna Group as auditors for the Company at a remuneration to be approved by the Board by voting FOR this resolution at the Meeting.

**Unless otherwise instructed, the proxies given in this solicitation will be voted in favour of the appointment of Saturna Group of Vancouver, British Columbia, as auditors for the Company to hold office until the next annual general meeting of the Company.**

## **OTHER BUSINESS**

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

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's financial statements and management's discussion and analysis ("MD&A") for the most recently completed financial year.

The Company will provide to any securityholder upon request, copies of the Company's financial statements and MD&A for the most recently completed financial year. Please direct your request to the Company at Suite 1500, Royal Centre, P.O. Box 11117, 1055 West Georgia Street, Vancouver, B.C., V6E 4N7.

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board.

DATED at Vancouver, British Columbia, this 3<sup>rd</sup> day of April, 2024.

**ON BEHALF OF THE BOARD**

*(signed) David Greenway*  
\_\_\_\_\_  
David Greenway, CEO and Director

**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

**RECHARGE RESOURCES LTD.**  
**(the "Company")**

**(Implemented pursuant to Multilateral Instrument 52-110)**

Multilateral Instrument 52-110 (the "Instrument") relating to the composition and function of audit committees was implemented for Alberta reporting companies effective March 30, 2004 and, accordingly, applies to every Canadian Securities Exchange listed company, including the Company. The Instrument requires all affected issuers to have a written audit committee Charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Company wherein management solicits proxies from the security holders of the Company for the purpose of electing directors to the Board.

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

**PART 1**

**Purpose:**

The purpose of the Committee is to:

- (a) ensure the quality of financial reporting;
- (b) assist the Board to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the Board and external auditors;
- (d) enhance the external auditor's independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the outside members of the Board by facilitating in-depth discussions between Members, management and external auditors.

**1.1 Definitions**

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"Affiliate" means a company that is a subsidiary of another company or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Company; "Charter" means this audit committee charter;

"Company" means RECHARGE RESOURCES LTD.

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

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

"executive officer" means an individual who is:

- (a) the chair of the Company;
- (b) the vice-chair of the Company;
- (c) the President of the Company;
- (d) the vice-president in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the Company or any of its subsidiary entities who performs a policy- making function in respect of the Company; or
- (f) any other individual who performs a policy-making function in respect of the Company;

"financially literate" has the meaning set forth in Section 1.3;

"immediate family member" means a person's spouse, parent, child, sibling, mother or father-in- law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"independent" has the meaning set forth in Section 1.2; "Instrument" means Multilateral Instrument 52-110;

"MD&A" has the meaning ascribed to it in National Instrument 51-102; "Member" means a member of the Committee;

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-audit services" means services other than audit services;

## **1.2 Meaning of Independence**

1. A Member is independent if the Member has no direct or indirect material relationship with the Company.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.
3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Company:
  - (a) a Control Person of the Company;
  - (b) an Affiliate of the Company; and
  - (c) an employee of the Company.

## **1.3 Meaning of Financial Literacy**

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

## **PART 2**

### **2.1 Audit Committee**

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

## **2.2 Relationship with External Auditors**

The Company will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

## **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the Board:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
  - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
  - (a) reviewing the audit plan with management and the external auditor;
  - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;
  - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
  - (g) reviewing interim unaudited financial statements before release to the public;
  - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
  - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - (j) reviewing the terms of reference of the internal auditor, if any;
  - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
  - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.
4. The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

#### **2.4 De Minimis Non-Audit Services**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

1. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
2. the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
3. the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

#### **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

### **PART 3**

#### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.

4. Every audit committee member shall be financially literate.

#### **PART 4**

##### **4.1 Authority**

Until the replacement of this Charter, the Committee shall have the authority to:

1. engage independent counsel and other advisors as it determines necessary to carry out its duties,
2. set and pay the compensation for any advisors employed by the Committee,
3. communicate directly with the internal and external auditors; and
4. recommend the amendment or approval of audited and interim financial statements to the Board.

#### **PART 5**

##### **5.1 Disclosure in Information Circular**

If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*).

#### **PART 6**

##### **6.1 Meetings**

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

##### **6.2 Composition of the Audit Committee**

The Audit Committee is comprised of David Greenway, Andrew Mugridge and Lawrence Segerstrom. Mr. Mugridge and Mr. Segerstrom are “*independent*” members and form the majority. All members are “*financially literate*” within the meanings given to those terms in the Charter.

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

At no time since the commencement of the Company’s most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company’s external auditors not been adopted by the Board of Directors.

##### **6.4 Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completed financial year has the Company relied of exemptions in relation to “*De Minimus Non-Audit Services*” or any exemption provided by Part 8 of Multilateral Instrument 52-110.

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

The Company has not adopted any specific policies in relation to the engagement of non-audit services.