

CHAMPION ELECTRIC METALS INC.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

JUNE 19, 2024

DATED AS OF MAY 3, 2024

CHAMPION ELECTRIC METALS INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Champion Electric Metals Inc. (the “**Company**” or the “**Corporation**”) will be held online at www.agmconnect.com/LTHM2024 via live webcast on June 19, 2024 at 1:00 p.m. (Toronto time) for the following purposes:

- 1) to receive the audited financial statements of the Company for the financial year ending December 31, 2023 and the auditors reply thereon;
- 2) to elect the directors of the Company for the ensuing year;
- 3) to re-appoint McGovern Hurley LLP, as auditor of the Company for the ensuing year and authorize the directors to fix the auditor's remuneration;
- 4) to re-approve the Company's stock option plan;
- 5) to re-approve the Company's restricted share unit plan (the “**RSU Plan**”);
- 6) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The record date for the determination of shareholders (“Shareholders”) entitled to receive notice of and to vote at the Meeting is May 3, 2024 (the “Record Date”). Shareholders of the Company whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

Website where Meeting Materials are Posted

Electronic copies of this Circular may be found on the Corporation's SEDAR+ profile at www.sedarplus.ca, and at www.agmconnect.com/LTHM2024.

Notice-and-Access

The Company is utilizing the notice-and-access mechanism (the “**Notice and Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial Shareholders.

Shareholders are requested to complete, date, sign and return the accompanying form of proxy in the enclosed return envelope. All instruments appointing proxies to be used at the Meeting, or at any adjournment thereof, must be deposited with AGM Connect, Suite 2704, 401 Bay Street, P.O. Box 4, Toronto, Ontario M5H 2Y4, not later than 1:00 p.m. (Toronto time) two business days preceding the date of the Meeting or any adjournment thereof or with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

Shareholders may beneficially own Common Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary (“**Non-Registered Shareholders**”). Without specific instructions, intermediaries are prohibited from voting Common Shares for their clients. If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker,

intermediary or its agent is returned according to their instructions sufficiently in advance of the deadline specified by the broker, intermediary or its agent to ensure they are able to provide voting instructions on your behalf.

The persons named in the enclosed form of proxy are each a director and/or officer of the Company. Every shareholder has the right to appoint a person or company (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons designated in the enclosed form of proxy. If the shareholder wishes to appoint a person or company other than the persons whose names are designated in the form of proxy, they may do so by inserting the name and valid email address of the shareholder's chosen proxyholder in the space provided in the form of proxy.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

Shareholders will not be able to attend the Meeting in person. Instead, Registered Shareholders (as defined in the accompanying Information Circular under the heading "Appointment of Proxy") and duly appointed proxyholders can virtually attend, participate, vote or submit questions at the virtual Meeting via the platform of AGM Connect. Please use a valid e-mail address and the Voter ID and Meeting Code found on the included form of Proxy to access the platform via the link below:

www.agmconnect.com/LTHM2024

To ensure a smooth process, the Company is asking registered participants to log in by 12:45 p.m. (Toronto time) on June 19, 2024.

Just as they would be at an in-person meeting, Registered Shareholders and duly appointed proxyholders will be able to attend the virtual Meeting, participate, submit questions online and vote virtually, all in real time, provided they are connected to the internet and comply with all the requirements set out in the accompanying Information Circular.

DATED at Toronto, Ontario this 3rd day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

"Jonathan Buick"

Jonathan Buick

Chief Executive Officer

CHAMPION ELECTRIC METALS INC.

401 Bay Street, Suite 2704
Toronto, Ontario, M5H 2Y4

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

JUNE 19, 2024

This management information circular (this “**Circular**”) is being furnished in connection with the solicitation by management of Champion Electric Metals Inc. (the “**Company**”), of proxies for the annual general and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of the Company to be held via live webcast online at www.agmconnect.com/LTHM2024 on June 19, 2024 commencing at 1:00 p.m. (Toronto time) and at any adjournment thereof for the purposes set forth in the enclosed notice of meeting (the “**Notice**”).

Unless otherwise indicated, the information contained in this Circular is given as at May 3, 2024.

Unless otherwise indicated, all references to “dollars” or “\$” mean Canadian dollars.

SOLICITATION OF PROXIES

Although it is expected that management’s solicitation of proxies for the Meeting will be made primarily by mail, proxies may be solicited by directors, officers and employees of the Company personally or by telephone, fax, email or other similar means of communication. **This solicitation of proxies for the Meeting is being made by or on behalf of the directors and management of the Company and the Company will bear the costs of this solicitation of proxies for the Meeting.**

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with the transfer agent, investment dealers, intermediaries, custodians, depositories and depository participants and other nominees to forward solicitation materials to the beneficial owners of the common shares (the “**Common Shares**”) of the Company. The Company will provide, without any cost to such person, upon request to the Chief Executive Officer of the Company, additional copies of the foregoing documents for this purpose.

Website where Meeting Materials are Posted

Electronic copies of this Circular may be found on the Corporation’s SEDAR+ profile at www.sedarplus.ca and at www.agmconnect.com/LTHM2024.

Notice-and-Access

The Company is utilizing the notice-and-access mechanism (the “**Notice and Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial Shareholders.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy accompanying this Proxy Circular are Jonathan Buick or, failing him, Donna McLean.

A Shareholder wishing to appoint some other person (who need not be a Shareholder) to represent the Shareholder at the Meeting has the right to do so, either by striking out the names of those persons named in the Proxy and inserting the desired person’s name and email address in the blank space provided in the Proxy or by completing another form of proxy. Such Shareholder should first notify such person of his/her

appointment and obtain his/her consent to act as a proxyholder. In any case, the Proxy should be dated and executed by the Shareholder or his/her attorney authorized in writing or, if the Shareholder is a Company, by an officer or attorney thereof duly authorized.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and deposited with AGM Connect, Suite 2704, 401 Bay Street, P.O. Box 4, Toronto, Ontario M5H 2Y4, Attention: Proxy Department, by 1:00 p.m. on June 17, 2024, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

A Proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In accordance with section 148(4) of the Act, in addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited with AGM Connect, Suite 2704, 401 Bay Street, P.O. Box 4, Toronto, Ontario M5H 2Y4, Attention: Proxy Department, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to public Shareholders of the Company since most public Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) are advised that only Proxies from Shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in the account statement provided to the shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder’s name. Such shares are more likely held under the name of the broker or a broker’s agent clearing house. Applicable corporate law provides that Beneficial Shareholders may request that the Beneficial Shareholder or the Beneficial Shareholder’s nominee be appointed as the proxyholder for such shares. 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 which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against or withheld, as applicable) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting shares for their clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person in advance of the Meeting.**

The Requisitioner does not know whom the shares registered to CDS & Co. are held for. Therefore, Beneficial Shareholders cannot be recognized by the Company at the Meeting. In order to ensure that their shares are voted at the Meeting, Beneficial Shareholders should carefully follow the return instructions. Often, the form of proxy supplied to Beneficial Shareholders by their brokers is identical to that provided to registered Shareholders, however, its purpose is limited to instructing the brokers/registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of the brokers now delegate the job of obtaining instructions from clients and voting shares according to their client’s instructions to a corporation named Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically mails proxy instruction forms to the Beneficial Shareholders and asks Beneficial Shareholders to return these proxy instruction forms to Broadridge, which may be by mail, by internet or by telephone. Broadridge then tabulates the results of all instructions received and then votes the shares to be voted at the Meeting according to the instructions received. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that voting instruction form to vote shares at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the voting instruction form provided to them and return the same in accordance with the instructions provided, well in advance of the Meeting. Beneficial Shareholders can also appoint their proxy by completing the form after logging in to <https://app.agmconnect.com>.

All references to Shareholders in this Proxy Circular and the accompanying proxy and Notice are to Shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered Shareholders that produce proof of their identity.

DISTRIBUTION OF SECURITYHOLDER MATERIALS TO NON-OBJECTING BENEFICIAL OWNERS

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

PROVISIONS RELATING TO VOTING OF PROXIES

The Common Shares represented by proxy in the enclosed form will be voted or withheld from voting by the designated proxy holder in accordance with the instructions of the Shareholder appointing him. If there is no direction by the Shareholder, those Common Shares will be voted for all proposals set out in the form of proxy. The form of proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice, or any other matters, which may properly come before the Meeting. At the time of the printing of this Proxy Circular, the management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice.

VOTE USING THE FOLLOWING METHODS PRIOR TO THE MEETING

	IF YOU HAVE RECEIVED PROXY FROM WITH A VOTER ID and MEETING ACCESS CODE FROM AGM CONNECT		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A 16-DIGIT CONTROL NUMBER FROM AN INTERMEDIARY
Voting Method	Registered Shareholders (your securities are held in your name in a physical certificate or DRS statement)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)
Internet	Login to https://app.agmconnect.com Using the Meeting Access Code and Voter ID provided to you complete the form to Submit Proxy		Go to www.proxyvote.com Enter the 16- digit control number printed on the VIF and follow the instructions on screen
Email	Complete, sign and date the proxy form and email to: voteproxy@agmconnect.com		N/A
Telephone	Call 1-855-839-3715 to register your vote for the Champion Electric Metals AGSM		N/A
Mail	Enter your voting instructions, sign, date and return the form to AGM Connect in the enclosed envelope		Enter your voting instructions, sign, date and return completed VIF in the enclosed postage paid envelope

JOIN THE MEETING VIA THE FOLLOWING METHODS

IF YOU HAVE RECEIVED PROXY FROM WITH A VOTER ID and MEETING ACCESS CODE FROM AGM CONNECT		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A 16-DIGIT CONTROL NUMBER FROM AN INTERMEDIARY	
Registered Shareholders (your securities are held in your name in a physical certificate or DRS statement)		Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)	
PRIOR TO THE MEETING	-	Appoint yourself as proxyholder on your proxy and follow the instructions at www.AGMconnect.com/LTHM2024	Appoint yourself as proxyholder as instructed herein and on the VIF.
	Following the proxy cut-off date, your appointed proxyholder will be provided with an AGM Connect Voter ID and Meeting Access Code	Following the proxy cut-off date, your appointed proxyholder will be provided with an AGM Connect Voter ID and Meeting Access Code	AFTER submitting your proxy appointment, you MUST contact AGM Connect to obtain a Voter ID and Meeting Access Code at Call 1-855-839-3715 or email voteproxy@agmconnect.com
JOINING THE VIRTUAL MEETING (at least 15 minutes prior to start of the Meeting)	<p>Register and login at http://app.agmconnect.com</p> <p>Registered Shareholders or validly appointed Proxyholders will need to provide an email address, <i>AGM Connect Voter ID</i> and the <i>Meeting Access Code</i></p>		

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

Except as disclosed herein, no Director or Senior Officer of the Company nor proposed nominee for election of Director, nor each of their respective associates or affiliates, are aware of 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, RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares. Each Share entitles the holder of record to notice of and one vote on all matters to come before the Meeting. No group of Shareholders has the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Common Shares of the Company.

The directors of the Company have fixed May 3, 2024 as the record date (the “**Record Date**”) for determination of the persons entitled to receive notice of the Meeting. Shareholders of record as of the Record Date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of their Common Shares after the Record Date, and the transferees of those Common Shares produce properly endorsed share certificates or otherwise establish that they own the Common Shares, and demand, not later than ten (10) days before the Meeting, that their name be included in the shareholder list before the Meeting, in which case the transferees are entitled to vote their Common Shares at the Meeting.

The by-laws of the Corporation provide that not less than one person present at the opening of the Meeting who is entitled to vote thereat either as a shareholder or proxyholder, representing collectively not less than five percent (5%) of the outstanding Common Shares of the Corporation entitled to be voted at the Meeting, constitutes a quorum for the Meeting.

As of the date of this Circular, 256,863,731 Common Shares are issued and outstanding.

Principal Shareholder

To the knowledge of the directors and executive officers of the Corporation, there is no person or corporation who beneficially owns or controls or directs, directly or indirectly, voting securities carrying ten percent (10%) or more of the voting rights attached to the voting securities of the Corporation as at the date hereof.

STATEMENT OF EXECUTIVE COMPENSATION

The purpose of this section of the Circular is to disclose all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to each “Named Executive Officer” (as defined herein) in accordance with Form 51-102F6 – *Statement of Executive Compensation*. The stated objective of Form 51-102F6 is to provide insight into executive compensation as a key aspect of the overall stewardship and governance of a corporation and to help investors understand how decisions about executive compensation are made.

Compensation Discussion and Analysis

The Corporation is a mineral exploration and development company engaged in the acquisition, exploration and evaluation of mineral properties. The Corporation has no revenues from operations and has, since its incorporation, operated administratively with limited financial resources to ensure that funds are available to complete scheduled exploration and drilling programs. As a result, the Board considers not only the financial situation of the Corporation at the time of determination of executive compensation but also the estimated financial situation of the Corporation in the mid-and long-term.

The following statement of executive compensation describes the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation, to each Named Executive Officer. Disclosure is required to be made in relation to each Named Executive Officer. Named Executive Officer means each of the following individuals: (a) a CEO; (b) a CFO; (c) each of the three (3) most highly compensated executive officers, or the three (3) most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose compensation was, individually, more than \$150,000 for that financial year; and (d) each individual who would have been a Named Executive Officer under clause (c) but for the fact that the individual was neither an executive officer of the Corporation nor acting in a similar capacity, at the end of that financial year. During the most recently completed financial year ended December 31, 2023, the following individuals were the Named Executive Officers of the Corporation:

- Jonathan Buick, Director, President and CFO; and
- Donna McLean, CFO

The Corporation does not have a compensation committee; the Board is responsible for determining all forms of compensation, including long-term incentives in the form of stock options, to be granted to the executive officers and directors to ensure such arrangements reflect the responsibilities and risks associated with each position.

An important element of the Corporation’s executive compensation program is the grant of incentive stock options, which does not require a cash outlay by the Corporation. The primary goal of the executive compensation process is to attract and retain the key executives necessary for the Corporation’s long-term success, to encourage executives to further the Corporation’s development and operations and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the Corporation to date are (i) base salary; and (ii) incentive stock options. The Board is of the view that all of these elements should be considered when determining executive compensation rather than any single element. The Board, as a whole, is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to our Named Executive Officers and directors, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining compensation, the Board considers: (i) recruiting and retaining executives critical to the Corporation’s success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Shareholders; and (iv) rewarding performance, both on an individual basis and with respect to the Corporation’s operations and achievement of business objectives. The Board relies mostly on board discussion without the establishment of formal objectives or criteria for its decision-making on executive compensation.

Base Salary and/or Consulting Fees

The Corporation is an exploration-stage mining company and does not anticipate 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 Board as an appropriate metric in the evaluation of corporate or Named Executive Officer performance. The compensation of the Named Executive Officers is based, in substantial part, on industry compensation practices, trends in the mining industry, as well as achievement in raising capital and execution of the Corporation’s short-term and long-term business plans and objectives. The Corporation provides Named Executive Officers with base salaries and/or consulting fees, which represent their minimum compensation for

services rendered during the fiscal year. Named Executive Officers' base salaries or consulting fees depend on the scope of their experience, responsibilities, leadership skills and performance. Base salaries and/or consulting fees are reviewed annually by our Board. In addition to the above factors, decisions regarding salary or consulting fee amounts are impacted by each Named Executive Officers' current salary or fee, general industry trends and practices, competitiveness, and available financial resources.

Option Based Awards

Granting options to purchase Common Shares as a component of director and executive compensation is intended to align the interests of the Corporation's directors and executive officers with the interests of its Shareholders, to provide a long-term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation the Corporation would otherwise have to pay to maintain compensation at a competitive level. The Corporation's stock option plan (the "**Stock Option Plan**") is administered by the Board. In establishing the number of incentive stock options to be granted to our Named Executive Officers, the Board considers the level of effort, time, responsibility, ability, experience, the commitment of the executive office and the results of execution of the Corporation's business plans. In determining option grants, the Board also takes into account previous grants of options, the overall number of options that are outstanding relative to the number of outstanding Common Shares and the amount and term of any such grants.

Benefits and Perquisites

The Corporation did not offer any benefits or perquisites to its Named Executive Officers other than entitlement to incentive stock options as otherwise disclosed and discussed herein during the year ended December 31, 2023.

Risks Associated with the Corporation's Compensation Practises

The Board has not, to date, considered the implications of any risks to the Corporation associated with decisions regarding the compensation of the Company's executive officers.

Hedging by Named Executive Officers or Directors

The Company has not, as yet, adopted a policy restricting its executive officers and directors 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 equity securities granted or awarded as compensation or held, directly or indirectly, by executive officers or directors.

Stock Option Plans and Other Incentive Plans

The Company adopted an incentive stock option plan (the "**Stock Option Plan**") on April 27, 2009, and a restrictive share unit plan (the "**RSU Plan**") on August 20, 2020. As of the year ended December 31, 2023, 13,825,000 stock options (the "**Stock Options**") and 6,000,000 restricted share units (the "**RSUs**") of the Company were outstanding. During the year ended December 31, 2023, the Company granted 550,000 Stock Options, leaving Stock Options or RSUs, respectively, to purchase an aggregate of 5,221,373 Common Shares outstanding. Subsequent to year-end, the Company granted 5,550,000 Stock Options, leaving Stock Options or RSUs, respectively, to purchase an aggregate of 1,811,373 Common Shares outstanding.

Stock Option Plan

The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants (an "**Eligible Person**") of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its Shareholders.

The Stock Option Plan provides that, subject to the requirements of the CSE, the aggregate number of Common Shares reserved for issuance pursuant to options granted under the Stock Option Plan or RSUs granted under the RSU Plan will not exceed 10% of the number of Common Shares of the Company issued and outstanding from time to time. The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder subject to the express provisions of the Stock Option Plan. Options may be granted under the Stock Option Plan to such Eligible Persons of the Company and its subsidiaries, if any, as the Board may from time to time designate.

Restricted Share Unit Plan

The RSU Plan is designed to provide certain Eligible Persons of the Company and its related entities with the opportunity to acquire 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.

The RSU Plan allows the Company to award, including Stock Options issued under the Stock Option Plan, in aggregate, up to a rolling 10% maximum of the issued and outstanding Common 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, at the election of the Company, the conditional right to receive for each RSU credited to the Participant's account at the election of the Board, either (a) one Common 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 of one Common Share for each RSU credited to the Participant's account on the Settlement Date, subject to the conditions set out in the RSU Grant Letter and in the RSU Plan. Fractional Common 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 will only have the right to receive the next lowest whole number of Common Shares.

Summary Compensation Table

The table below details all of the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, for the fiscal years ended December 31, 2023, 2022 and 2021 to the Named Executive Officers of the Corporation. Total compensation encompasses, as applicable, regular salary, dollar amount of option awards, non-equity incentive plan compensation, which would include discretionary and non-discretionary bonuses, pension value with compensatory amounts for both defined and non-defined contribution retirement plans, and all other compensation which could include perquisites, tax gross-ups, premiums for certain insurance policies, payments resulting from termination, resignation, retirement or a change in control and all other amounts not reported in another column.

(Years Ended December 31, 2023, 2022 and 2021)

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Jonathan Buick <i>President & CEO</i>	2023	228,750	96,438	44,450	Nil	Nil	Nil	Nil	369,638
	2022	146,667	Nil	26,971	Nil	Nil	Nil	Nil	173,638
	2021	110,000	Nil	Nil	Nil	Nil	Nil	Nil	110,000
Donna McLean ⁽¹⁾ <i>CFO</i>	2023	48,000	Nil	Nil	Nil	Nil	Nil	Nil	48,000
	2022	48,000	Nil	Nil	Nil	Nil	Nil	Nil	48,000
	2021	3,000	Nil	Nil	Nil	Nil	Nil	Nil	3,000

Notes:

- (1) Ms. McLean was appointed CFO effective November 1, 2021.
- (2) Grant date fair value of option-based awards is calculated using the Black-Scholes option pricing model, a standard accepted method for valuing options, using the following weighted average assumptions: share price – \$0.05; risk free rate of return – 1.57% expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%.

Incentive Plan Awards – Outstanding Option-Based Awards and Share-Based Awards

The following table sets out details of option-based and share-based awards granted to the Named Executive Officers by the Corporation that were outstanding as at the fiscal year ended December 31, 2023.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jonathan Buick <i>President & CEO</i>	1,000,000	0.08	Jan. 18, 2028	Nil	2,500,000	150,000	Nil
	1,000,000	0.05	Aug. 24, 2027	10,000	Nil	Nil	Nil
	1,000,000	0.10	Nov. 12, 2024	Nil	Nil	Nil	Nil
Donna McLean ⁽³⁾ <i>CFO</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Represents options granted pursuant to the Corporation's share incentive plan.
- (2) Based on the difference between the market value of the underlying vested shares at December 31, 2023 of \$0.06, and the exercise price of the option.
- (3) Ms. McLean was appointed CFO effective November 1, 2021.

No other share-based or non-equity incentive plan compensation has been awarded to the NEOs by the Company for the year ended 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying shares and the option exercise price on the vesting date. The value of options exercised is the difference between the option exercise price and the market price of the underlying security on the date of exercise.

The following summarizes the value of options granted and vested to the Company's Named Executive Officers during 2023.

Name	Option-based awards – Value vested during the year ⁽¹⁾⁽²⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jonathan Buick <i>President & CEO</i>	Nil	Nil	Nil
Donna McLean ⁽³⁾ <i>CFO</i>	Nil	Nil	Nil

Notes:

- (1) Represents options granted pursuant to the Corporation's share incentive plan.
- (2) Based on the difference between the market value of the underlying vested shares at December 31, 2023 of \$0.06, and the exercise price of the option.
- (3) Ms. McLean was appointed CFO effective November 1, 2021.

Pension Plan Benefits

There are no pension plan benefits or other retirement benefits in place for any of the Named Executive Officers or directors.

Termination And Change Of Control Benefits

As of the date of this Circular, the Corporation is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provide for payments to NEOs at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of the Corporation or a change in a NEO's responsibilities.

Director Compensation

The following table sets forth information concerning the annual and long-term compensation in respect of the directors of the Corporation, other than the Named Executive Officers, during the financial years ended December

31, 2023, 2022 and 2021. For details of the compensation for Jonathan Buick, the Named Executive Officer who is also the director of the Corporation, see the disclosure in the “*Summary Compensation Table*”.

Name and principal position	Year	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Bruce Reid ⁽¹⁾	2023	Nil	Nil	22,227	Nil	Nil	Nil	22,227
	2022	Nil	Nil	13,486 ⁽³⁾	Nil	Nil	Nil	13,486
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Fornazzari	2023	Nil	96,438	22,227 ⁽⁴⁾	Nil	Nil	Nil	118,665
	2022	Nil	Nil	13,486 ⁽³⁾	Nil	Nil	Nil	13,486
	2021	Nil	Nil	25,360 ⁽²⁾	Nil	Nil	Nil	25,360
Patrick Highsmith	2023	Nil	19,288	22,227 ⁽⁴⁾	Nil	Nil	Nil	41,515
	2022	Nil	Nil	13,486 ⁽³⁾	Nil	Nil	Nil	13,486
	2021	Nil	Nil	25,360 ⁽²⁾	Nil	Nil	Nil	25,360
Gabriel Pindar ⁽⁴⁾	2023	Nil	19,288	90,326 ⁽⁴⁾	Nil	Nil	Nil	109,614
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gregory Schiffrin ⁽⁵⁾	2023	Nil	Nil	22,227 ⁽⁴⁾	Nil	Nil	Nil	22,227
	2022	Nil	Nil	13,486 ⁽³⁾	Nil	Nil	Nil	13,486
	2021	Nil	Nil	25,360 ⁽²⁾	Nil	Nil	Nil	25,360

Notes:

- (1) Bruce Reid resigned from the Board of Directors effective May 31, 2023.
- (2) Grant date fair value is calculated using the Black-Scholes option pricing model, a standard accepted method for valuing options, using the following weighted average assumptions: share price – \$0.20; risk free rate of return – 0.30% expected volatility – 100%; expected life – 5 years; expected dividend yield – 0%.
- (3) Grant date fair value is calculated using the Black-Scholes option pricing model, a standard accepted method for valuing options, using the following weighted average assumptions: share price – \$0.05; risk free rate of return – 0.30% expected volatility – 100%; expected life – 5 years; expected dividend yield.
- (4) Grant date fair value is calculated using the Black-Scholes option pricing model, a standard accepted method for valuing options, using the following weighted average assumptions: share price – \$0.055; risk free rate of return – 0.30% expected volatility – 100%; expected life – 5 years; expected dividend yield.
- (5) Gabriel Pindar was appointed to the Board of Directors effective February 24, 2023.
- (6) Greg Schiffrin resigned from the Board of Directors effective February 24, 2023.

Material Factors Necessary to Understand Director Compensation

Directors of the Corporation do not receive any compensation for attending meetings of the directors, meetings of the Audit Committee or meetings of the Shareholders of the Corporation. The directors are eligible to be granted stock options, as described above under the heading “Stock Option Plans and Other Incentive Plans”.

Incentive Plan Awards - Outstanding Option-Based Awards and Share-Based Awards

The following table sets out details of option-based awards and share-based awards granted to non-executive directors by the Corporation that were outstanding at the fiscal year ended December 31, 2023.

Name	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽⁵⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
Bruce Reid ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A
Paul Fornazzari	500,000	0.08	Jan. 19, 2028	Nil	2,500,000	150,000
	500,000	0.05	Aug. 24, 2027	5,000	Nil	Nil
	200,000	0.20	Mar. 24, 2026	Nil	Nil	Nil
	300,000	0.10	Nov. 12, 2024	Nil	Nil	Nil

Name	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽⁵⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
Patrick Highsmith	500,000	0.08	Jan. 19, 2028	Nil	500,000	30,000
	500,000	0.05	Aug. 24, 2027	5,000	Nil	Nil
	200,000	0.20	Mar. 24, 2026	Nil	Nil	Nil
	300,000	0.30	Aug. 4, 2025	Nil	Nil	Nil
Gabriel Pindar ⁽³⁾	1,000,000	0.13	May 11, 2028	Nil	500,000	30,000
Gregory Schifrin ⁽⁴⁾	500,000	0.08	Jan. 19, 2028	Nil	Nil	Nil
	500,000	0.05	Aug. 24, 2027	5,000	Nil	Nil
	200,000	0.20	Mar. 24, 2026	Nil	Nil	Nil
	300,000	0.10	Nov. 12, 2024	Nil	Nil	Nil

Notes:

- (1) The Company's share price on the Canadian Securities Exchange closed at \$0.06 per common share on December 31, 2023.
- (2) Bruce Reid resigned from the Board of Directors effective May 31, 2023.
- (3) Gabriel Pindar was appointed to the Board of Directors on February 24, 2023.
- (4) Greg Schifrin resigned from the Board of Directors on February 24, 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying shares and the option exercise price on the vesting date. The value of options exercised is the difference between the option exercise price and the market price of the underlying security on the date of exercise.

The following table sets forth certain information, in relation to the directors of the Corporation (excluding any director who was also a Named Executive Officer), regarding the value vested or earned in connection with incentive plan awards during the financial year of the Corporation ended December 31, 2023:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bruce Reid ⁽²⁾	N/A	N/A	N/A
Paul Fornazzari	Nil	Nil	Nil
Patrick Highsmith	Nil	Nil	Nil
Gabriel Pindar ⁽³⁾	Nil	Nil	Nil
Gregory Schifrin ⁽⁴⁾	Nil	Nil	Nil

Notes:

- (1) The Company's share price on the Canadian Securities Exchange closed at \$0.06 per common share on December 31, 2023.
- (2) Bruce Reid resigned from the Board of Directors effective May 31, 2023.
- (3) Gabriel Pindar was appointed to the Board of Directors on February 24, 2023.
- (4) Greg Schifrin resigned from the Board of Directors on February 24, 2023.

BUSINESS OF THE MEETING

AUDITED FINANCIAL STATEMENTS

The Company's audited financial statements for the fiscal year ended December 31, 2023, and the report of the auditors thereon, have been filed on www.sedarplus.ca and have been sent to registered and beneficial Shareholders who have requested copies thereof using the request form accompanying this Circular and will be submitted to the meeting of Shareholders. Receipt at the Meeting of the auditors' report and the Company's financial statements for this fiscal period will not constitute approval or disapproval of any matters referred to therein, and no action is required to be taken by Shareholders thereon.

ELECTION OF DIRECTORS

Shareholders will be asked to elect four (4) directors at the Meeting. Each director elected will hold office until the close of the next annual meeting of the Shareholders or until his successor is appointed or elected.

The following table and the notes thereto set out the names of each nominee for election as a director of the Company as well as their province of residence, principal occupation, business or employment, the year they first became a director of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name, Position, Province and Country of Residence	Office or Position Held and Year First Elected a Director	Principal Occupation during the Past Five Years	# of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction are Exercised ⁽²⁾
Jonathan Buick Ontario, Canada	President, CEO and Director (2018)	President and CEO of the Corporation since 2018. Owner and managing director Harp Capital Corp. (as advisory services company for the mining and mineral exploration)	9,5665,628
Paul Fornazzari ⁽¹⁾ Ontario, Canada	Director (2018)	Partner, Fasken Martineau DuMoulin LLP (a law firm) since 2015.	9,600,667
Patrick Highsmith ⁽¹⁾ Tennessee, USA	Director (2020)	Executive roles leading exploration, operations, and business development for various public companies, most recently as Chairman of FireFox Gold (2017 – present), Group Manager Business Development at Fortescue Metals Group (October 2018 – April 2020), and CEO of Timberline Resources (October 2020 – Present).	Nil
Gabriel Pindar ⁽¹⁾ London, United Kingdom	Director since February 24, 2023	Chief Operating Officer of XTC Lithium Limited (February 2023 – December 2023); Chief Operating Officer and Director of NeoLithium (July 2016 – January 2022); General Manager & Head of Projects, ArcelorMittal Mining UK, Ltd., integrated steel and mining company (2013 -2017)	20,192,308

Notes:

- (1) Member of the audit committee of the Board (the “**Audit Committee**”).
- (2) The information as to the number of voting securities beneficially owned, not being within the knowledge of the Corporation, has been obtained from SEDI or furnished by the proposed directors individually.

Director Profiles

Further biographical information with respect to each nominee for election as a director is set forth below:

Jonathan Buick, Director and Chief Executive Officer

Mr. Buick has over 23 years of business, management and financing experience. He has been involved in mergers and acquisitions, restructuring, equity research and corporate finance, raising in excess of \$400 million dollars during his career. In his role as advisor Mr. Buick has been successful in representing clients in the negotiation of Joint Ventures, strategic partnerships, project finance and direct investment through his extensive set of relationships with Korean corporations and financial institutions.

Paul Fornazzari, Director

Mr. Fornazzari is a partner at the law firm Fasken Martineau DuMoulin LLP. He was a former Chairman of Lithium Americas Corp. and has been a director of various public companies for most of his career. Previously, Mr. Fornazzari was a partner at another international law firm where he was head of its Corporate Finance, Securities and Public M&A National Practice Group and of its Mining Group. Mr. Fornazzari has broad experience advising Boards, executive teams and investment dealers and acts for domestic and foreign clients in various industries including mining, petroleum, technology, life sciences and financial services. As a fluent Spanish speaker from Latin America, he has transactional experience and a strong network in almost all of the jurisdictions in that region. Mr. Fornazzari holds a Masters of Law from Osgoode Hall Law School in Securities Law and a Bachelor of Law from the University of Windsor.

Patrick Highsmith, Independent Director

Mr. Highsmith has over 34 years of international experience in the mining industry, including operational, exploration and business development roles with major companies such as Newmont Mining, BHP, Rio Tinto, and Fortescue Metals Group. He also has significant experience in the more entrepreneurial side of the business, co-founding several junior companies and acting as director or senior executive in several others. His junior company pedigree includes Canadian listed companies such as: Lithium One, Copper One, Bellhaven Copper & Gold, Pure Energy Minerals, and FireFox Gold, for whom he is co-founder and chairman of the board. He is also currently President & CEO of Timberline Resources, a US domiciled gold explorer. Patrick holds a Bachelor of Science Degree in Geological Engineering and a Master of Science in Economic Geology (Geochemistry) from the Colorado School of Mines. He has specialized technical expertise in gold, copper, and lithium exploration.

Gabriel Pindar, Independent Director

Mr. Pindar has over 25 years of experience in Canada and internationally in the mining, gas, infrastructure and engineering industries, with an extensive background in lithium operations, including his most recent role as the co-founder, director and COO of Neo Lithium Inc.

Additional Information Regarding the Directors

Each of the Directors has consented to being named as a nominee in this Circular. It is not contemplated that any of the nominees will be unable to stand for election to the Board of Directors of the Company or to serve as a director, if elected. If for any reason, any of the nominees do not stand for election or are unable to serve as such, proxies in favour of the nominees will be voted for another nominee in the discretion of the persons named in the enclosed form of proxy or VIF unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting in the election of the directors.

Other Boards of Reporting Issuers

The following directors of the Company presently serve as directors of other reporting issuers as follows:

Director	Other Reporting Issuer
Jonathan Buick	N/A
Paul Fornazzari	Omai Gold Mines Corp., Pentagon I Capital Corp., Full Circle Lithium Corp., Avicanna Inc.
Patrick Highsmith	FireFox Gold Corp., Timberline Resources Corporation
Gabriel Pindar	N/A

Cease Trade Orders and Bankruptcies

Other than as disclosed below, to the knowledge of the Company, no director is, as at the date of this Proxy Circular, or has been, within 10 years before the date of this Circular:

- a) a director, chief executive officer or chief financial officer of any corporation that:
 - i) was subject to an order that was issued while a director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - ii) was subject to an order that was issued after a director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- b) a director or executive officer of any corporation that, while such person was acting in that capacity, or

within a year of such 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

- c) someone who became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such shareholder nominee.

For the purposes of section (a) above, the term “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Mr. Highsmith was a director of Alhambra Resources Ltd. (“ALH”) from October 2012 to August 2014. The Alberta Securities Commission issued a Management Cease Trade Order (a “MCTO”) against ALH on May 2, 2014, for failure to file its audited financial statements, management’s discussion and analysis, and certifications for the 2014 fiscal year. The MCTO was revoked as of July 3, 2014, when ALH filed its financials and related documentation.

Penalties and Sanctions

To the knowledge of the Company, as of the date of this Circular, no proposed director has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year; however, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR OF THE COMPANY FOR ANY REASON AT OR PRIOR TO THE MEETING OR ANY ADJOURNMENT THEREOF, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR THE ELECTION OF ANY PERSON OR PERSONS IN PLACE OF ANY NOMINEES UNABLE TO SERVE AT THE DISCRETION OF THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

APPOINTMENT OF AUDITORS

Shareholders are being asked to re-appoint McGovern Hurley LLP to act as auditors of the Company until the next annual meeting of Shareholders and to authorize the Board of the Company to fix their remuneration. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF MCGOVERN HURLEY LLP, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THE AUDITORS’ REMUNERATION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE APPOINTMENT OF MCGOVERN HURLEY LLP.**

McGovern Hurley LLP was first appointed as auditors for the Company in 2010.

AUDIT COMMITTEE

The Board establishes the Audit Committee for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation. The Audit Committee is responsible for monitoring the Corporation’s systems and procedures for financial reporting and internal control,

reviewing certain financial reporting disclosure documents and monitoring the performance and independence of the Corporation’s external auditors. The Audit Committee is also responsible for reviewing the Corporation’s annual audited financial statements, unaudited quarterly financial statements and management’s discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors.

Charter of the Audit Committee

The Audit Committee’s charter sets out its responsibilities and duties, qualifications for membership, and reporting to the Board. A copy of the Charter of the Audit Committee is attached hereto as Appendix “A”.

Composition of the Audit Committee

The Audit Committee is currently composed of three members, Paul Fornazzari, Chair, Patrick Highsmith and Gabriel Pindar.

Mr. Highsmith and Mr. Pindar are independent as defined in National Instrument 52-110 “*Audit Committees*” (“NI 52-110”) in that their directors’ fees are the only compensation they, or their firms, receive from the Corporation and that they are not affiliated with the Corporation. Mr. Fornazzari is not independent by virtue of being legal counsel to the Corporation, and accordingly, his firm receives compensation from the Corporation. All members of the Audit Committee are financially literate, as required by NI 52-110.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Audit Committee and, where applicable, the Board, on a case-by-case basis.

External Auditor Service Fees

The following table provides detail in respect of audit, audit related, tax and other fees billed by the Company to the external auditors for professional services provided to the Company and its subsidiaries:

	2023	2022
Audit fees	34,000	36,000
Audit-related fees	Nil	Nil
Tax fees	22,500	10,000
Other fees	Nil	Nil
Total	56,500	46,000

Audit Fees: Audit fees were paid for professional services rendered by the auditors for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees: Audit-related fees were paid for professional services rendered by the auditors and were comprised primarily of the reading of quarterly financial statements.

Tax Fees: Tax fees were paid for tax compliance, tax advice and tax planning professional services. These services included preparing and/or reviewing tax returns.

All Other Fees: Fees such as those payable for professional services, which include bookkeeping, accounting advice, primarily relating to the preparation of IFRS compliant financial statements, and preparation of management’s discussion and analysis, and due diligence.

Exemption

The Company is relying on the exemption from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) as set out in section 6.1 of NI 52-110.

RE-APPROVAL OF STOCK OPTION PLAN

The Corporation has a stock option plan (“**Stock Option Plan**”). The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, key employees and consultants of the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity to acquire an increased proprietary interest in the Corporation and thereby provide additional incentive for them to promote the success of the Corporation. Under the terms of the Stock Option Plan, the Board of the Corporation may, at its discretion, grant options to purchase common shares to directors, officers, employees and consultants of the Corporation, provided that: (i) no individual may be granted options for common shares exceeding 5% of the issued and outstanding common shares from time to time; (ii) the maximum aggregate number of common shares which may be reserved for issuance under the Stock Option Plan at any time may not exceed 10% of the number of the issued and outstanding common shares; (iii) the maximum number of common shares which may be reserved for issuance to insiders may not exceed 10% of the outstanding common shares at the date of the grant; (iv) the maximum number of common shares which may be issued to any one insider, and such insider's associates, in any 12-month period is 5% of the outstanding common shares at the date of issuance; (v) the maximum number of common shares which may be issued to all insiders in any 12-month period is 10% of the outstanding common shares at the date of issuance; (vi) the maximum number of common shares which may be reserved to any one consultant is 2% of the number of common shares outstanding on the date of the grant; and (vii) the maximum number of common shares which may be reserved to all persons conducting investor relations activities is 2% of the number of common shares outstanding on the date of the grant.

Options granted under the Stock Option Plan are non-assignable and non-transferable. The option price per share granted under the Stock Option Plan may not be less than the closing market price for the common shares on the exchange on which the Corporation's shares are listed on the last day of trading immediately preceding the date on which the option is granted, less any applicable discount permitted by the rules and policies of the exchange. The maximum term of any option is five years from the date on which the option is granted. If a person to whom options have been granted ceases to be a director, officer or employee, such person must exercise his or her options before the earlier of the expiry date and ninety (90) days following the termination date, after which all of his or her outstanding options will expire, unless involving an optionee engaged in investor relations, in which case the period will be the earlier of the expiry date and thirty (30) days following termination. In the event of the death or permanent disability of a designated recipient, his or her estate may exercise the outstanding options before the earlier of the expiry date and twelve (12) months from the date of death, after which all of such options will expire. If an optionee is terminated for cause, such optionee's options will terminate on the date of termination. In the event of a change of control of the Corporation, then all unvested options shall vest immediately and shall be exercisable for ninety (90) days (or thirty (30) days if engaged in investor relations activities) following closing.

The maximum aggregate number of common shares under option at any time under the Stock Option Plan is a rolling 10% of the issued and outstanding common shares. As at the date hereof, 17,875,000 Stock Options to purchase Common Shares under the Stock Option Plan are outstanding and unexercised.

The full text of the Stock Option Plan is set out in Appendix “B” attached hereto.

“BE IT RESOLVED THAT:

1. The Stock Option Plan of the Corporation dated for reference June 19, 2024, be and the same is hereby approved; and
2. any one director or officer of the Corporation is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

RE-APPROVAL OF RESTRICTED SHARE UNIT PLAN

The Corporation also has a restricted share unit plan (the “**RSU Plan**”), which was first approved by shareholders on September 22, 2020, which is designed to provide certain directors, officers, consultants and other key employees (the “**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.

The RSU Plan allows the Company to award, in aggregate, up to a rolling 10% maximum of the issued and outstanding Common 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, at the election of the Company, the conditional right to receive for each RSU credited to the Participant’s account, at the election of the Board, either (a) one Common 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 of one Common Share for each RSU credited to the Participant’s account on the Settlement Date, subject to the conditions set out in the RSU Grant Letter and in the RSU Plan. Fractional Common 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 will only have the right to receive the next lowest whole number of Common Shares.

Benefits of the RSU Plan

The RSU Plan is designed to be a long-term incentive for the directors, officers, consultants and other key employees of the Company. RSUs provide the Company with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants and employees.

The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be granted pursuant to the RSU Plan and other amounts and values to be determined in respect of the RSU Plan including, without limitation, those related to a particular fair market value.

On August 9, 2023, the Corporation issued 6 million RSUs under the RSU Plan ; zero RSUs have been issued since then.

Vesting

The Board has the discretion to grant RSUs to Eligible Persons as it determines appropriate and can impose conditions on vesting as it sees fit in addition to other performance conditions, if any. Vesting occurs on the Vesting Date set by the Board at the time of the grant and the date upon which any relevant other performance condition or other vesting condition, if any, has been satisfied, subject to the limitations of the RSU Plan.

A copy of the RSU Plan is attached as Appendix “C” to this Circular.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to reapprove the RSU Plan:

“BE IT RESOLVED THAT:

1. the RSU Plan dated for reference June 19, 2024, be and is hereby approved; and
2. any one director or officer of the Corporation is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

The RSU Plan must be approved by a simple majority of the votes cast on the resolution at the Meeting by Shareholders who vote in respect of the approval of the RSU Plan (present in person or represented by proxy), but removing from the vote tally all Common Shares held by Eligible Persons pursuant to the RSU Plan. **THE BOARD UNANIMOUSLY RECOMMENDS THAT THE DISINTERESTED SHAREHOLDERS APPROVE THE**

RSU PLAN BY VOTING FOR THIS RESOLUTION AT THE MEETING. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE RSU PLAN, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

CORPORATE GOVERNANCE

The Company's disclosure of corporate governance practices pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) is set out below in the form required by Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

The Board of Directors is responsible for the stewardship of the Company and for the supervision of management to protect shareholder interests. The Board oversees the development of the Company's strategic plan and the ability of management to continue to deliver on the corporate objectives.

The Board presently consists of four (4) directors, comprised of Jonathan Buick, Paul Fornazzari, Patrick Highsmith and Gabriel Pindar. Patrick Highsmith and Gabriel Pindar are considered to be independent directors of the Company. Jonathan Buick is the Chief Executive Officer of the Company, and Paul Fornazzari acts as external legal counsel; therefore, they are not considered to be independent. NI 58-101 suggests that the Board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of directors, reasonably interfere with the exercise of a director's independent judgment. As disclosed above, the Board is comprised of a majority of independent directors. The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has free access to the Company's external auditors, external legal counsel and to any of the Company's officers.

Directorships

The directors of the Company, other than Jonathan Buick, are also directors of other reporting issuers; see Business of Meeting- Election of Directors-Other Boards of Reporting Issuers above.

Orientation and Continuing Education

Given the size of the Corporation and the in-depth experience of its directors, the Corporation has not deemed it necessary to develop a formal process of orientation for new directors. However, the directors conduct a discussion of the business of the Corporation at its meetings to ensure that new directors are provided with an overview of the Corporation's operations. From time to time, corporate officers and legal, financial and other experts are invited to attend Board meetings to describe matters in their areas of expertise.

Directors are entitled to attend seminars that they determine necessary to keep themselves up-to-date with current issues relevant to their services as directors of the Corporation.

Nomination of Directors

The entire Board is responsible for proposing new nominees to the Board. They select individuals with the desired background and qualifications, taking into account the needs of the Board at the time. A majority of directors must agree to any new nominees to encourage an objective nomination process.

Other Board Committees

The Company has no committees other than the Audit Committee.

Assessments

The Board does not feel it is necessary to establish a committee to assess the effectiveness of individual Board members. Each Board member has considerable experience in the guidance and management of public companies, and this is sufficient to meet the current needs of the Company.

Board of Directors Tenure

The Board has not adopted policies imposing an arbitrary term or retirement age limit in connection with individuals nominated for election as directors as it does not believe that such a limit is in the best interests of the Company at

this time. Directors are elected for a period of one year and remain in place until the next annual general meeting of Shareholders at which time their mandates terminate. The Board strives to achieve a balance between the desirability to have a depth of experience from its members and the need for renewal and new perspectives. The Board has determined that the Board is highly effective and well-composed and that no appreciable benefit would be derived from the introduction of term or retirement age limits at this time.

Board and Senior Management Diversity

The *Canadian Business Corporations Act* (the “CBCA”) defines members of designated groups (“**Designated Group Members**”) to mean women, Aboriginal peoples, persons with disabilities and members of visible minorities. The Board has not adopted a written policy or targets relating to the identification and nomination of Designated Group Members as directors or members of senior management, as it does not believe that it is necessary in the case of the Company to have such measures giving the Corporation is a junior exploration company involved in the exploration of mining projects which are early stage and do not generate revenues. The Corporation has a limited number of employees, choosing to use the services of consultants almost exclusively. Whenever possible, the Corporation chooses to use the services of local persons or locally owned businesses, especially those of First Nations when available. The Board is committed to nominating the best individuals to fulfill director roles and senior management positions. The Board recognizes that Designated Group Members contribute significantly to diversity and acknowledges the important role that Designated Group Members with appropriate and relevant skills and experience can play in contributing to diversity of perspective in the boardroom and in senior management roles.

The Board reviews the general and specific criteria applicable to candidates to be considered for nomination to the Board. The Board aims to maintain the composition of the Board in a way that provides the best mix of skill and experience to guide the Company’s long-term strategy and ongoing business operations. Accordingly, in searches for new directors or members of senior management, the Board considers the level of Designated Group Member representation and diversity within its leadership ranks when considering making director or officer appointments and this is just one of several factors used in such search process. The Corporation currently has no targets for the level of representation of members of the Designated Groups on the board and senior management. The table below show the current number and proportion (expressed as a percentage) of Designated Group Members who hold positions on the board of directors and who are members of senior management:

	Directors		Senior Management	
	#	%	#	%
Women	0 of 4	0	1 of 2	50
Aboriginal Peoples	0 of 4	0	0 of 2	0
Persons with Disabilities	0 of 4	0	0 of 2	0
Members of Visible Minorities	0 of 4	0	0 of 2	0

The board of directors of the Corporation considers diversity in identifying and nominating candidates for election or re-election to the Board as well as for making senior management appointments, by carefully evaluating necessary competencies, skills and other qualifications of each candidate as a whole and taking into account the track record in general business management and the ability to devote the time required.

The diversity information disclosed reflects the Corporation’s situation as of the date of this Circular.

OTHER BUSINESS

As at the date hereof, management of the Company knows of no amendments, variations or other matters to be presented for action at the Meeting. If, however, any amendments, variations or other matters properly come before the Meeting or any postponement(s) or adjournment(s) thereof, or if any other matters, which are not now known to management of the Company should properly come before the Meeting or any postponement(s) or adjournment(s) thereof, the form of proxy or VIF confers discretionary authority on the person voting the proxy to vote on such

amendments or variations or such other matters in the discretion of such person, whether or not the amendments, variations or other matters that come before the Meeting are or are not routine, and whether or not the amendments, variations or other matters that come before the Meeting are contested, the Company reserves the right to amend or supplement this Proxy Circular, form of proxy and VIF, as the case may be, as it sees fit in order to solicit proxies for any business to be transacted at the Meeting which is in addition to or a variation of the resolutions set out in the Circular.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Shareholders of the Company may contact the Company at Champion Electric Metals Inc., 401 Bay Street, Suite 2704, Box 4, Toronto, Ontario, M5H 4Y2 to request copies of the Company's financial statements and management's discussion and analysis. Financial information regarding the Company is provided in the Company's financial statements and management discussion and analysis for the most recently completed financial year.

APPROVAL OF THE DIRECTORS

The Board has approved the contents and the distribution of this Circular.

DATED at Toronto, Ontario, this 3rd day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

“Jonathan Buick”

Jonathan Buick
President & CEO

APPENDIX “A” - CHARTER OF THE AUDIT COMMITTEE

CHAMPION ELECTRIC METALS INC. (the “Corporation”)

PURPOSE

The Audit Committee (the “Committee”) is a committee of the board of directors of the Corporation (the “Board”) established by and among the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation. This Charter of the Audit Committee sets out the mandate and responsibilities of the Committee as delegated to it by the Board.

COMPOSITION

The Committee shall consist of a minimum of three (3) directors of the Corporation the majority of whom shall not be officers or employees of the Corporation or its affiliates (as that term is defined in the *Canada Business Corporations Act*) and only directors of the Corporation may be members of the Committee. All members of the Committee shall, to the satisfaction of the Board, be “financially literate” as such term is defined in section 1.6 of National Instrument 52-110 Audit Committees (“NI 52-110”) or become financially literate as permitted by section 3.8 of NI 52-110. The members of the Committee shall be appointed by the Board to hold office until the following annual shareholders’ meeting.

DUTIES AND RESPONSIBILITIES

The Committee will:

- (a) review and report to the Board on the following before they are approved by the Board or publicly disclosed:
 - (i) the annual financial statements and management’s discussion and analysis (“MD&A”) of the Corporation as defined in National Instrument 51-102 *Continuous Disclosure Obligations*; and
 - (ii) the auditors’ report, if any, prepared in relation to those financial statements;
- (b) review and approve, as delegates of the Board, the interim financial statements of the Corporation and the accompanying MD&A;
- (c) review the Corporation’s annual and interim earnings press releases, if any, before the Corporation publicly discloses this information;
- (d) satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements and periodically assess the adequacy of those procedures;
- (e) recommend to the Board:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the external auditor;
- (f) directly oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (g) monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established;

- (h) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (i) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor;
- (j) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation; and
- (k) with respect to ensuring the integrity of disclosure controls and procedures over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

IV. MEETINGS

- (a) The Committee shall meet no less than four times per year. At least annually, the Committee shall meet separately with management and with the external auditors.
- (b) The external auditors of the Corporation will receive notice of every meeting of the Committee and may attend and be heard thereat, and, if requested by a member of the Committee, shall attend every meeting of the Committee held during the term of office of the external auditors. The external auditors or any member of the Committee may call a meeting of the Committee.
- (c) The Board shall be kept informed of the Committee's activities by copies of minutes, at the next board meeting following each Committee meeting or by a verbal report, as the Committee may deem appropriate (see also "*Reporting*").

V. QUORUM

Quorum for the Transactions of business at any meeting of the Committee shall be a majority of the total members of the Committee.

VI. AUTHORITY

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set and pay the compensation for such advisors employed by the Committee.

The Committee has the authority to communicate directly with and to meet with the external auditor and the internal auditor, if any, without management or Board involvement.

VII. REPORTING

The external auditors of the Corporation are required to report directly to the Committee.

The reporting obligations of the Committee to the Board include:

- (a) reporting to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled Board meeting; and
- (b) reviewing and reporting to the Board on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular, annual information form or annual MD&A prepared by the Corporation.

APPENDIX “B”

STOCK OPTION PLAN

[Please see attached]

CHAMPION ELECTRIC METALS INC.
(the “Corporation”)
DIRECTORS', MANAGEMENT, EMPLOYEES' AND
CONSULTANTS' STOCK OPTION PLAN

STOCK OPTION PLAN

1. PURPOSE OF PLAN

- 1.1 The purpose of the Plan is to attract, retain and motivate persons as directors, officers, key 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 share options, to acquire an increased proprietary interest in the Corporation.

2. DEFINED TERMS

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

- 2.1 **“Associate”**, when used to indicate a relationship with a Person, means: (i) any partner of the Person; (ii) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; (iii) in the case of a Person who is an individual, that Person’s spouse or child, or any relative of that Person or of his spouse who has the same residence as that Person and (iv) the Corporation, if the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the Corporation;
- 2.2 **“Board”** means the board of directors of the Corporation or, if established and duly authorized to act, the Executive Committee or another Committee appointed for such purpose by the board of directors of the Corporation;
- 2.3 **“Business Day”** means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;
- 2.4 **“Common Shares”** means the common shares of the Corporation;
- 2.5 **“Consultant”** or **“Service Provider”** means an individual (including an individual whose services are contracted through a Consultant Company), other than a director, officer or employee of the Corporation, with whom the Corporation or any Subsidiary has a written contract for substantial consulting, technical, management or other services and who has a relationship with the Corporation that enables such individual to be knowledgeable about the affairs of the Corporation;
- 2.6 **“Consultant Company”** means, for an individual consultant, a corporation or partnership of which the individual is an employee, shareholder or partner;
- 2.7 **“Corporation”** means **CHAMPION ELECTRIC METALS INC.** and includes any successor corporation thereto;
- 2.8 **“Designated Brokerage Account”** means an account with an investment dealer or stock broker established by an Optionee providing Investor Relations Activities through which all trades in securities of the Corporation by such Optionee, and only such trades, must be processed unless such Optionee has undertaken to file insider trade reports as set out in section 5.13 (b) or otherwise agreed to securities trading monitoring procedures acceptable to the Board;
- 2.9 **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by shareholders of the Corporation at a shareholders’ meeting at which holders of non-voting and subordinate voting shares, if any, shall have full voting rights, but excluding votes attaching to Shares beneficially owned by Insiders to whom Options may be granted under the Plan and Associates of such Insiders;
- 2.10 **“Eligible Person”** means any director, officer, employee (part-time or full-time) or Consultant or a corporation that is wholly-owned by any of the foregoing, or a Consultant Company of the Corporation or any Subsidiary;
- 2.11 **“Exchange”** means the principal stock exchange or market on which the Common Shares are or may be listed or quoted from time to time for trading;

- 2.12 **“Insider”** means: (i) a director or senior officer of the Corporation; (ii) a director or senior officer of a company that is an Insider or Subsidiary of the Corporation; or (iii) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation;
- 2.13 **“Investor Relations Activities”** means any activities that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation;
- 2.14 **“Management Company Employee”** means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- 2.15 **“Market Price”** for Common Shares at any date on which Options are approved by the Board shall be the last closing price of such Common Shares on any Exchange on the last Business Day preceding the date on which such Options are approved by the Board and, in the event that such Common 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 Common Shares at the close of trading on such Business Day;
- 2.16 **“Maximum Period”** means the maximum period during which options are exercisable shall be five (5) years. Options expire (i) immediately on termination of office or employment for cause, (ii) 90 days after retirement, resignation or termination of office or employment without cause for directors, employees, consultants or management company employees; (iii) 30 days after retirement, resignation or termination of office or employment without cause for those who are engaged in investor relations activities; (iv) 90 days (30 days for those who are engaged in investor relations activities) after termination of office or employment due to disability or (v) one year after death of the optionholder;
- 2.17 **“Option”** means an option to purchase Common Shares granted under the Plan;
- 2.18 **“Option Price”** means the price per Common Share at which Common Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article 8;
- 2.19 **“Optionee”** means an Eligible Person to whom an Option has been granted;
- 2.20 **“Person”** means an individual, corporation, partnership, unincorporated association or organization, body corporate, trust or other entity;
- 2.21 **“Plan”** means this Stock Option Plan, as the same may be amended or varied from time to time;
- 2.22 **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- 2.23 **“Shares”** means and includes the Common Shares of the Corporation or, in the event of an adjustment contemplated by Article 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
- 2.24 **“Subsidiary”** means any corporation which is a subsidiary (as such term is defined in the *Canada Business Corporations Act* as amended, varied or re-enacted from time to time) of the Corporation.

3. ADMINISTRATION OF THE PLAN

- 3.1 The Plan shall be administered by the Board in accordance with the rules and policies of the Exchange in respect of employee stock option plans. The Board may receive recommendations of management and shall determine and designate from time to time those Eligible Persons to whom Options should be granted, the number of Common Shares which will be optioned from time to time to such Eligible Persons and the terms and conditions of each such grant of Options.
- 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 make all other determinations necessary or advisable for its administration;
- (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 to purchase Common Shares;
- (d) to determine which Eligible Persons are granted Options;
- (e) to determine the number of Common Shares covered by each Option;
- (f) to determine the Option Price for each Option;
- (g) to determine the time or times when Options will be granted and will be exercisable;
- (h) to determine if the Common Shares which are subject to an Option will be subject to any vesting provisions or other restrictions upon the exercise of such Option; and
- (i) 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 as Appendix "A".

4. SHARES SUBJECT TO THE PLAN

- 4.1 Options may be granted in respect of authorized and unissued Common Shares provided that, subject to increase by the Board and the receipt of any necessary approvals from the Exchange, the maximum aggregate number of Common Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options shall not, at any time, exceed ten percent (10%) of the number of issued and outstanding Common Shares at the time. Common Shares in respect of which Options expire without being exercised shall be available for subsequent Options under the Plan. No fractional Common Shares may be purchased or issued under the Plan.

5. ELIGIBILITY; GRANT; TERMS OF OPTIONS

- 5.1 Options may be granted to Eligible Persons.
- 5.2 Options may be granted by the Corporation from time to time provided and to the extent that such grants are approved by the Board.
- 5.3 Subject to the provisions of this Plan, the number of Common Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board. At no time shall the period during which an Option shall be exercisable exceed five (5) years from the date of the grant.
- 5.4 Unless otherwise determined by the Board of Directors at the time of granting of options, the Options granted hereunder (other than to Eligible Persons performing Investor Relations Activities) will vest immediately.
- 5.5 Subject to any minimum price mandated by the rules of the Exchange or other applicable securities regulatory requirements, the Option Price of Common Shares which are the subject of any Option shall in no circumstances be lower than the Market Price of the Common Shares calculated at the date of the grant of the Option less any discount permissible under the rules of the Exchange and other securities regulatory requirements.
- 5.6 Subject to Sections 5.7 and 5.8 hereof, the maximum number of Common Shares which may be reserved for issuance to any one Optionee under this Plan or under any other Share Compensation Arrangement in any 12-month period shall not exceed five percent (5%) of the number of Common Shares outstanding at the date of the grant (on a non-diluted basis).

- 5.7 The maximum number of Common Shares which may be reserved for issuance to any one Consultant under this Plan or under any other Share Compensation Arrangement in any 12-month period shall not exceed two percent (2%) of the number of Common Shares outstanding at the date of the grant (on a non-diluted basis).
- 5.8 The maximum number of Common Shares which may be reserved for issuance to all Persons employed to conduct Investor Relations Activities under this Plan or under any other Share Compensation Arrangement in any 12-month period shall not exceed two percent (2%) of the number of Common Shares outstanding at the date of the grant (on a non-diluted basis).
- 5.9 The maximum number of Common Shares which may be reserved for issuance to Insiders, Optionees performing Investor Relations Activities and Consultants under the Plan or under any other Share Compensation Arrangement shall be ten percent (10%) of the number of Common Shares outstanding at the date of the grant (on a non-diluted basis).
- 5.10 The maximum number of Common Shares which may be issued to any one Optionee and such Optionee's Associates under the Plan and any other Share Compensation Arrangement in any 12-month period shall be five percent (5%) of the number of Common Shares outstanding at the date of the issuance (on a non-diluted basis).
- 5.11 An Option is personal to the Optionee and is non-assignable and non-transferrable.
- 5.12 For Options granted to employees, Consultants or Management Company Employees, the Corporation shall be deemed to represent that the Optionee is a *bona fide* employee, Consultant or Management Company Employee of the Corporation, as the case may be.
- 5.13 Options issued to Consultants performing Investor Relations Activities shall vest over twelve (12) months from the date of the grant, with one quarter of the Options vesting at the end of each three-month period. The Board shall monitor the trading in the securities of the Corporation by Optionees performing Investor Relations Activities. Optionees performing Investor Relations Activities shall comply with one or more of the following, as determined by the Board:
- (a) trade in securities of the Corporation only through a Designated Brokerage Account; or
 - (b) file insider trade reports with the Board within five (5) days after any trade by such Optionee in securities of the Corporation; or
 - (c) agree to other securities trading monitoring procedures acceptable to the Board.
- 5.14 If the Optionee is a corporation or Consultant Company, it shall provide to the Exchange any and all forms required by the Exchange. Any such entity granted an Option shall agree not to effect or permit any transfer of ownership or option of shares or units, as the case may be, of such entity nor to issue shares or units, as the case may be, to any other individual or entity as long as the Option remains outstanding except with any written consent required by the Exchange.

6. EXERCISE OF OPTIONS

- 6.1 Every Option and any Common Share issued upon the exercise of an Option shall be subject to any resale restrictions required by applicable securities legislation.
- 6.2 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 number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price of the Common Shares to be purchased. Payment of the Option Price must be made in cash or by certified cheque or bank draft. Certificates for such Common Shares shall be issued and delivered to the Optionee within a reasonable period of time following the receipt of such notice and payment.
- 6.3 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Common Shares to an Optionee pursuant to the exercise of an Option shall be subject to:

- (a) completion of such registration or other qualification of such Common Shares or 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 listing of such Common Shares on the Exchange;
- (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Common Shares, as the Corporation or its counsel reasonably determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction; and
- (d) receipt from the Optionee of any withholding taxes required to be remitted to applicable taxation authorities under applicable taxation legislation.

In this connection, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on the Exchange.

7. TERMINATION OF OFFICE OR EMPLOYMENT; DEATH; DISABILITY

- 7.1 Subject to Sections 7.3 and 7.4 and any express resolution passed by the Board with respect to an Option, an Option granted to any Optionee who is a director, officer, part-time or full-time employee, service provider or Management Company Employee and all rights to purchase pursuant thereto, shall expire and terminate on the earlier of its expiry date and ninety (90) days after the Optionee ceases to be at least one of a director, officer, part-time or full-time employee, service provider or Management Company Employee of the Corporation or of any Subsidiary, but in all cases such Option shall expire and terminate within the lesser of the Maximum Period or the term of the Option established under Section 5.3 or 5.4 hereof.
- 7.2 Subject to Section 7.4 and any express resolution passed by the Board with respect to an Option, the entitlement of a Consultant to Options and all rights to purchase pursuant thereto including the termination thereof shall be in accordance with the terms of the consulting agreement entered into between the Corporation or the Subsidiary and the Consultant, but in all cases such Option shall expire and terminate within the lesser of the Maximum Period or the term of the Option established under Section 5.3 or 5.4 hereof.
- 7.3 Subject to Section 7.4 and any express resolution passed by the Board with respect to an Option, the entitlement of an Optionee engaged in Investor Relations Activities to an Option and all rights to purchase pursuant thereto, shall expire and terminate on the earlier of its expiry date and thirty (30) days after the Optionee ceases to be engaged to provide Investor Relations Activities to the Corporation or any Subsidiary, but in all cases such Option shall expire and terminate within the lesser of the Maximum Period or the term of the Option established under Section 5.3 or 5.4 hereof.
- 7.4 If, before the expiry of an Option in accordance with the terms thereof, the employment of the Optionee with the Corporation or with any Subsidiary shall terminate, in either case by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal representative(s) of the Optionee or his estate, as the case may be, at any time during the first twelve (12) months following the death of the Optionee but prior to the expiry of the Option in accordance with the terms thereof and only to the extent that the Optionee was entitled to exercise such Option at the date of the Optionee's death.
- 7.5 Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director where the Optionee continues to be employed by the Corporation or continues to be a director of a Subsidiary or an officer of the Corporation or any Subsidiary.
- 7.6 Notwithstanding any other provision of this Plan, if an Optionee's employment or consulting contract is terminated for "just cause", such person's Options shall terminate on the date of the termination of employment or contract, as the case may be.

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 holding Common Shares or securities which are

convertible into Common Shares entitling such Person to exercise 20% or more of the votes entitled to be cast at a meeting of the shareholders) of Common Shares or rights or options to acquire Common Shares of the Corporation or securities which are convertible into Common Shares of the Corporation or any combination thereof such that after the completion of such acquisition such Person would be entitled to exercise 50% 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 the Optionee may not be entitled to exercise the right to purchase all of the Common Shares granted by the Option, the Optionee shall be entitled to exercise the Options (other than Options granted to the Optionee in relation to its performance of Investor Relations Activities, which Options must be exercised within 30 days of the close of any such transaction) to the full amount of the Common Shares remaining at that time within 90 days of the close of any such transaction.

- 8.2 Appropriate adjustments with respect to Options granted or to be granted, in the number or class 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 subdivisions, consolidations or reclassifications of the Common 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 respectively, if applicable.

9. AMENDMENT OR DISCONTINUANCE

- 9.1 The Board may amend or discontinue the Plan at any time upon receipt of any necessary regulatory approval including, without limitation, the approval of the Exchange, provided, however, that no such amendment may 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 without the consent of the Optionee. Any amendments to the terms of an Option shall also be subject to any necessary regulatory approval, including without limitation, the approval of the Exchange. Any amendments to the terms of an Option that involves a reduction in the Option Price of an Option previously granted to an Optionee, if the Optionee is an Insider of the Issuer at the time of the proposed amendment, shall be subject to Disinterested Shareholder Approval and to acceptance by the Exchange, if applicable.

10. MISCELLANEOUS PROVISIONS

- 10.1 The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Common Shares covered by such Option until 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 Common Shares in respect of which the Option is being exercised) and the issuance of Common Shares by the Corporation.
- 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 any Subsidiary or affect in any way the right of the Corporation or any Subsidiary to terminate his employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment of any Optionee beyond the time which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.
- 10.3 To the extent required by law or regulatory policy or necessary to allow Common Shares issued on exercise of an Option to be free of resale restrictions, the Corporation shall report in a timely manner the grant, exercise or termination of the Option to the Exchange and the appropriate securities regulatory authorities.

11. SHAREHOLDER AND REGULATORY APPROVAL

- 11.1 The Plan shall be subject to the approval of the Board or the shareholders of the Corporation, as may be prescribed by applicable securities laws and Exchange policies, to be given by a resolution passed at a meeting of the Board or the shareholders of the Corporation, as applicable, in accordance with the *Canada Business Corporations Act* and to acceptance by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such

approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

APPENDIX "A"

STOCK OPTION CERTIFICATE

CHAMPION ELECTRIC METALS INC. (the "Corporation"), for good and valuable consideration, hereby grants to the Optionee set forth below an Option to purchase Common Shares of the Corporation subject to the terms and conditions set forth in the Corporation's Stock Option Plan, as the same may be amended or replaced from time to time (the "Plan"), and, in addition, subject to the terms set forth below:

Optionee: _____
Position with the Corporation: _____
Number of Common Shares: _____
Exercise Price per Share: _____
Expiry Date of Option: _____
Rights of Exercise (Vesting): _____

Subject to an earlier or later expiry date provided by the terms of the Plan, on the close of business on the "Expiry Date of Option" set out above, the Option granted will expire and terminate and be of no further force and effect whatsoever as to the Common Shares for which the Option hereby granted has not been exercised.

By acceptance of this certificate and the Option granted hereby, the Optionee confirms that the Option and all Shares purchased upon any exercise of the Option have been and will be acquired for investment purposes only and not with a view to distribution and will be acquired for the Optionee's own individual account and disposed of in compliance with all applicable securities regulatory requirements.

The Options represented hereby are non-assignable and non-transferable.

Where used herein all defined terms shall have the respective meanings attributed thereto in the Plan.

DATED this _____ day of _____, 20__.

CHAMPION ELECTRIC METALS INC.

By: _____

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

(Signature of Optionee)

NOTICE OF EXERCISE OF STOCK OPTIONS

TO: **CHAMPION ELECTRIC METALS INC.**

I, _____, wish to exercise _____ of my Options to purchase Common Shares of the Corporation at a price of \$ _____ per share. Please accept my cash payment in the amount of \$ _____ and have the stock certificate representing the Common Shares issued upon such exercise registered as follows:

_____.

Executed this ____ day of _____, 20__.

(Name of Optionee – please print)

(Signature of Optionee)

APPENDIX “C”

RSU PLAN

[Please see attached]



**CHAMPION ELECTRIC METALS INC.
RESTRICTED SHARE UNIT PLAN
EFFECTIVE AS OF SEPTEMBER 22, 2020**

TABLE OF CONTENTS

ARTICLE 1	PURPOSE AND INTERPRETATION	3
Section 1.1	Purpose	3
Section 1.2	Definitions	3
Section 1.3	Interpretation	6
Section 1.4	Governing Law	6
Section 1.5	Severability	7
ARTICLE 2	SHARE CAPITAL	7
Section 2.1	Shares Reserved	7
ARTICLE 3	ADMINISTRATION	7
Section 3.1	General	7
Section 3.2	Compliance with Legislation	8
Section 3.3	Miscellaneous	9
ARTICLE 4	RESTRICTED SHARE UNITS	9
Section 4.1	Granting of Restricted Share Units	9
Section 4.2	Dividends	10
Section 4.3	Settlement of Restricted Share Units	10
Section 4.4	Termination of Service	11
Section 4.5	Non-Transferability of Restricted Share Units	12
Section 4.6	Hold Period	12
ARTICLE 5	TERMINATION, AMENDMENTS AND ADJUSTMENTS	12
Section 5.1	Amendment and Termination	12
Section 5.2	Change of Control	13
Section 5.3	Adjustments	13
ARTICLE 6	GENERAL	13
Section 6.1	Effective Date	13
Section 6.2	Notice	13
Section 6.3	Tax Withholdings	14
Section 6.4	Rights of Participants	14
Section 6.5	Right to Issue Other Shares	14
Section 6.6	Successors and Assigns	14
Section 6.7	Funding of the Plan	14
SCHEDULE A	RESTRICTED SHARE UNIT GRANT LETTER	15

RESTRICTED SHARE UNIT PLAN

ARTICLE 1 PURPOSE AND INTERPRETATION

Section 1.1 Purpose

The purpose of the Plan is to promote and advance the interests of the Company by providing Eligible Persons with additional incentive through an opportunity to receive discretionary bonuses in the form of Common Shares of the Company, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate Eligible Persons.

Section 1.2 Definitions

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “Account” means a notional account maintained for each Participant on the books of the Company which will be credited with Restricted Share Units and Dividend RSUs, in accordance with the terms of the Plan;
- (b) “Affiliate” means any person that controls or is controlled by the Company or that is controlled by the same person that controls the Company;
- (c) “Associate” has the meaning ascribed to that term under the *Securities Act*, RSO 1990, c S.5, as amended from time to time;
- (d) “Affiliated Companies”, “Controlled Companies” and “Subsidiary Companies” have the meanings ascribed to those terms under the *Securities Act*, RSO 1990, c S.5, as amended from time to time;
- (e) “Black-Out Period” means the period during which designated directors, officers, employees and consultants of the Company and, if applicable, any Subsidiary Company, cannot trade Common Shares pursuant to the Company’s insider trading policy which is in effect at that time (which, for certainty, does not include the period during which a cease trade order is in effect to which the Company, or in respect of a Reporting Insider, that Reporting Insider, is subject);
- (f) “Board” means the board of directors of the Company or such delegate as referred to by the term in Section 3.1(1);
- (g) “Business Day” means any day other than a Saturday, Sunday or a statutory or civic holiday in the City of Toronto, Ontario, on which the Stock Exchange is open for trading;
- (h) “Cause” means (i) if the Participant has a written agreement with the Company or Subsidiary Companies in which cause is defined, cause as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) the failure of the Participant to follow the Company’s reasonable instructions with respect to the performance of his or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any

other code of business conduct or any lawful policies or procedures of the Company; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;

- (i) “Change of Control Event” means:
 - (i) the acquisition of a sufficient number of voting securities in the capital of the Company so that the acquiror, together with Persons or Entities acting jointly or in concert with the acquiror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company (provided that, prior to the acquisition, the acquiror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company);
 - (ii) the completion of a consolidation, merger, arrangement or amalgamation of the Company with or into any other entity whereby the voting security holders of the Company immediately prior to the consolidation, merger, arrangement or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting securities of the consolidated, merged, arranged or amalgamated entity;
 - (iii) the completion of a sale whereby all or substantially all of the Company’s undertakings and assets become the property of any other entity and the voting security holders of the Company immediately prior to the sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale; or
 - (iv) an occurrence when a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.
- (j) “Common Shares” means the common shares in the share capital of the Company;
- (k) “Company” means Champion Electric Metals Inc.;
- (l) “Consultant” means a corporate entity or an individual, other than an employee, executive officer or director of the Company or of an Affiliate, that:
 - (i) is engaged to provide services to the Company or an Affiliate, other than services provided in relation to a distribution of the Company’s securities;
 - (ii) provides the services under a written contract with the Company or an Affiliate; and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; and includes, for an individual consultant, a Company of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (m) “Dividend RSUs” means a bookkeeping entry credited to a Participant’s Account equivalent in value to the dividend, if any, paid on a Common Share in accordance with Section 4.2 of the Plan;
- (n) “Eligible Person” means:
 - (i) any director, officer, employee or Consultant of the Company or any of its Subsidiary Companies; and
 - (ii) any Personal Holding Company of any of the persons listed in Section 1.2(n)(i) above; who is designated by the Board as eligible to participate in the Plan;
- (o) “Expiry Date” means the expiry date set out by the Board on the date of approval of a grant and as described in the applicable RSU Grant Letter (which for greater certainty may vary between RSUs granted from time to time), following which an RSU is expired and is thereafter incapable of settlement, and is of no value whatsoever, provided however that in no event shall an Expiry Date be a date that is more than three years from the date of grant;
- (p) “Market Price” means, with respect to any particular date, the volume weighted average trading price of the Common Shares as reported on the Stock Exchange for the five (5) trading days immediately preceding that date;
- (q) “Participant” means an Eligible Person to whom RSUs have been granted and are outstanding;
- (r) “Personal Holding Company” means a personal holding Company that is either wholly owned, or controlled by, any director, executive officer, employee or Consultant of the Company or its Affiliates, and the shares of which are held directly or indirectly by any such person or the person’s spouse, minor children and/or minor grandchildren;
- (s) “Person or Entity” means an individual, natural person, Company, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity;
- (t) “Plan” means this Restricted Share Unit plan of the Company, as amended from time to time;
- (u) “Reporting Insider” means a reporting insider as defined under National Instrument 55-104 as may be amended from time to time;
- (v) “Restricted Share Unit” or “RSU” means a bookkeeping entry equivalent in value to a Common Share credited to a Participant’s Account and representing the right of a Participant to whom a grant of such restricted share units is made to receive one Common Share (or, pursuant to Section 4.3, an amount of cash equal to the Market Value thereof), pursuant and subject to the terms and conditions set forth in this Plan and in the applicable RSU Grant Letter;
- (w) “RSU Award” means the number of RSUs determined by the Board to be awarded to the Participant and credited to a Participant’s Account, as evidenced by a RSU Grant Letter;

- (x) “RSU Grant Letter” has the meaning given to that term in Section 3.1(3);
- (y) “*Securities Act*” means the *Securities Act* (Ontario), RSO 1990, c S.5 as from time to time amended.
- (z) “Settlement Date” means the Business Day during the Settlement Period on which a Participant elects to settle an RSU in accordance with Section 4.3;
- (aa) “Settlement Notice” has the meaning set out in Section 4.3;
- (bb) “Settlement Period” means the period starting on the Vesting Date and ending on the Expiry Date;
- (cc) “Shareholder” means a holder of a Common Share in the capital of the Company;
- (dd) “Share Compensation Arrangement” means any stock option, stock option plan, employee stock purchase plan, restricted share unit, or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise including, without limitation, this Plan;
- (ee) “Stock Exchange” means the Canadian Securities Exchange or if the Common Shares are not listed on the Canadian Securities Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board;
- (ff) “Termination Date” means the date on which a Participant ceases to be an Eligible Person. For greater certainty, in the case of a Participant whose employment or term of office with the Company or any Subsidiary Company terminates in the circumstances set out in Section 4.4(1)(a), Section 4.4(1)(b) or Section 4.4(1)(c), the date that is designated by the Company or any Subsidiary Company, as the last day of the Participant’s employment or term of office with the Company or such Subsidiary Company, provided that in the case of termination of employment or term of office by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not include any period of reasonable notice that the Company or any Subsidiary Company may be required at law to provide to the Participant; and
- (gg) “Vesting Date” means the date on which an RSU is vested for the purposes of the Plan.

Section 1.3 Interpretation

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

Section 1.4 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 1.5 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

ARTICLE 2 SHARE CAPITAL

Section 2.1 Shares Reserved

- (1) Subject to Section 5.3(1), the securities that may be acquired by Participants pursuant to RSUs granted under this Plan shall consist of authorized but unissued Common Shares.
- (2) The Company shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of RSUs granted under this Plan.
- (3) The maximum number of Common Shares made available for issuance pursuant to the Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, less any Common Shares reserved for issuance under all other Share Compensation Arrangements, subject to adjustments as provided in the Plan.
- (4) The Plan shall be a “rolling plan” and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, the number of Common Shares in respect of such cancelled or terminated RSUs shall again be available for the purpose of granting RSU Awards pursuant to the Plan.

ARTICLE 3 ADMINISTRATION

Section 3.1 General

- (1) This Plan shall be administered by the Board. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. Any delegation pursuant to this Section 3.1 shall be documented in a resolution of the Board.
- (2) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the awarding, granting, vesting, settlement and method of settlement of RSUs, all on such terms (which may vary between RSUs granted from time to time) as it shall determine. In addition, the Board shall have the authority to:
 - (a) select any directors, officers, employees or Consultants of the Company or Subsidiary Companies of the Company to participate in this Plan; provided that RSUs granted to any Participant shall be approved by the Shareholders if the rules of the Stock Exchange require such approval;
 - (b) construe and interpret this Plan and all agreements entered into hereunder;
 - (c) prescribe, amend and rescind rules and regulations relating to this Plan; and

- (d) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) An RSU Award shall be evidenced by a restricted share unit grant letter (“**RSU Grant Letter**”), a form of which is attached as Schedule A to this Plan, signed on behalf of the Company, subject to amendment by the Board from time to time, and which shall specify:
- (a) the number of RSUs subject to the RSU Award to be credited to the Participant’s Account;
 - (b) the date of grant of the RSU Award;
 - (c) the Vesting Date or Vesting Dates applicable to the RSUs subject to the RSU Award;
 - (d) the Settlement Period and Expiry Date applicable to an RSU subject to the RSU Award;
 - (e) the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon settlement of the RSU;
 - (f) the nature of the events, if any, and the duration of the period in which any Participant’s rights in respect of Common Shares acquired upon settlement of an RSU may be forfeited; and
 - (g) such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine.
- (4) No member of the Board (or person acting under delegated authority, nor the Company, will be liable for any action or determination taken or made in the administration, interpretation, construction or application of this Plan, any RSU Grant Letter or any RSU issued pursuant to this Plan, or otherwise in any way in respect of any Participant’s participation in this Plan or the holding or settlement of RSUs.

Section 3.2 Compliance with Legislation

- (1) The Plan, the terms of the issue or grant and the settlement of RSUs hereunder and the Company’s obligation to sell and deliver Common Shares upon settlement of RSUs shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any RSU hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No RSU shall be granted and no Common Shares issued or sold thereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any RSU or issue or sale of Common Shares hereunder in violation of this provision shall be void.
- (3) The Company shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Stock Exchange. Common Shares issued and sold to Participants pursuant to the settlement of RSUs may be subject to restrictions or limitations on sale or resale under applicable securities laws.

- (4) If Common Shares cannot be issued to a Participant upon the settlement of an RSU due to legal or regulatory restrictions, the obligation of the Company to issue such Common Shares under the Plan shall terminate, at no cost to the Company nor obligation to otherwise compensate a Participant in any way.

Section 3.3 Miscellaneous

- (1) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.
- (2) Nothing contained in the Plan nor in any RSU granted hereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Company or any rights as a Shareholder or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the settlement of any RSU.
- (3) The Plan does not give any Participant or any employee of the Company or any of its Affiliated Companies, Subsidiary Companies or Controlled Companies the right or obligation to continue to serve as a Consultant, director, officer or employee, as the case may be, of the Company or any of its Affiliated Companies, Subsidiary Companies or Controlled Companies. The awarding of RSUs to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its Subsidiary Companies other than as specifically provided for in the Plan.
- (4) The existence of any RSUs shall not affect in any way the right or power of the Company or its Shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.
- (5) No fractional Common Shares shall be issued upon the settlement of RSUs granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the settlement of an RSU, or from an adjustment pursuant to Section 5.3(1) such Participant shall only have the right to receive the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

ARTICLE 4 RESTRICTED SHARE UNITS

Section 4.1 Granting of RSUs

- (1) Where the Board determines to grant an RSC Award to an Eligible Person and sets the terms and conditions applicable to such RSU Award, the Company shall deliver to the Eligible Person a RSU Grant Letter, containing the terms and conditions applicable to such RSU Award.
- (2) On the grant of an RSU Award, the Company will credit the Participant's Account with the number of RSUs granted to such Participant under the terms of the RSU Award.
- (3) The grant of an RSU Award shall entitle the Participant to the conditional right to receive for each RSU credited to the Participant's Account, at the election of the Company, either one Common

Share or an amount in cash, net of applicable taxes and contributions to government sponsored plans, as determined by the Board, equal to the Market Price of one Common Share for each RSU credited to the Participant's Account on the Settlement Date, subject to the conditions set out in the RSU Grant Letter and in the Plan, and subject to all other terms of this Plan.

- (4) An Eligible Person may receive an RSU Award on more than one occasion under the Plan and may receive separate RSU Awards on any one occasion.
- (5) RSUs granted under this Plan to an Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or an Affiliate, as the case may be, in the fiscal year ending in, coincident with or before such calendar year, subject to any other determination by the Company.

Section 4.2 Dividends

- (1) Unless the Board determines otherwise, additional RSUs ("Dividend RSUs") will be credited to a Participant's Account where the Company declares and pays a dividend on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had he been holding such number of Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Shares and the Market Price of the Common Shares on the payment date.
- (2) Dividend RSUs credited to a Participant's Account shall vest and be settled in the same manner and on the same date as the RSUs to which they relate.

Section 4.3 Settlement of Restricted Share Units

- (1) Subject to the provisions of the Plan and in particular Section 4.4 and Section 5.2 and any vesting limitations imposed by the Board in its sole unfettered discretion at the time of grant, RSUs subject to an RSU Award may be settled by a Participant during the Settlement Period applicable to the RSU by delivery to the Company of a notice (the "**Settlement Notice**") in a form attached to the RSU Grant Letter. As soon as practicable following the receipt of the Settlement Notice, RSUs will be settled by the Company through the delivery by the Company of such number of Common Shares equal to the number of RSUs then being settled or, at a Company's election, an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the Market Price at the Settlement Date of one Common Share for each RSU then being settled. Where, prior to the Expiry Date, a Participant fails to elect to settle an RSU, the Participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date.
- (2) Notwithstanding the foregoing, if the Company elects to issue Common Shares in settlement of RSUs:
 - (a) the Company may arrange for such number of the Common Shares to be sold as it deems necessary or advisable to raise an amount at least equal to its determination of such applicable taxes, with such amount being withheld by the Company; or
 - (b) the Company may elect to settle for cash such number of RSUs as it deems necessary or advisable to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company; or

- (c) the Company may, as a condition of settlement in the form of Common Shares, require the Participant to pay the applicable taxes as determined by the Company or make such other arrangement acceptable to the Company in its discretion (if at all) as it deems necessary or advisable.
- (3) Subject to the terms of the Plan, as soon as practicable after receipt of any of the amount, undertaking or election listed in Section 4.3(2), the Company will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Participant a certificate or certificates in the name of the Participant or a statement of account, at the discretion of the Company, representing in the aggregate Common Shares issued to the Participant.
- (4) Notwithstanding any other provision of the Plan:
- (a) no RSU shall be capable of settlement after the Expiry Date; provided, however, that if the Expiry Date in respect of an RSU falls on, or within nine (9) Business Days immediately following, a date upon which such Participant is prohibited from exercising such RSU due to a Black-Out Period or other trading restriction imposed by the Company, then the Expiry Date of such RSU shall be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period or other trading restriction imposed by the Company is lifted, terminated or removed. The foregoing extension applies to all RSUs regardless of the date of grant and shall not be considered an extension of the term thereof as otherwise referred to in the Plan;
 - (b) the Settlement Period shall be automatically reduced in accordance with Section 4.4 upon the occurrence of any of the events referred to therein; and
 - (c) no RSU in respect of which Shareholder approval is required under the rules of the Stock Exchange shall be settled until such time as such RSU has been so approved.

Section 4.4 Termination of Service

- (1) Except as otherwise determined by the Board:
- (a) all RSUs held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service with the Company or any Subsidiary Companies for any reason other than as set forth in paragraph (b) and (c) below;
 - (b) in the case of a termination of the Participant's service by reason of (A) termination by the Company or any Subsidiary Companies other than for Cause, or (B) the Participant's death, the Participant's unvested RSUs shall vest automatically as of such date, and on the earlier of the original Expiry Date and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the person or persons to whom the Participant's RSUs are transferred by will or the applicable laws of descent and distribution) will be eligible to request that the Company settle his vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;
 - (c) in the case of a termination of the Participant's services by reason of voluntary resignation, only the Participant's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of

service (or, if earlier, the Termination Date), the Participant will be eligible to request that the Company settle his vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;

- (d) for greater certainty, where a Participant's employment or term of office terminates by reason of termination by the Company or any Subsidiary Companies for Cause then any RSUs held by the Participant, whether or not vested at the Termination Date, immediately terminate and are cancelled on the Termination Date or at a time as may be determined by the Board, in its sole discretion;
- (e) a Participant's eligibility to receive further grants of RSUs under this Plan ceases as of the earliest of the date the Participant resigns from the Company or any Subsidiary Company and the date that the Company or any Subsidiary Company provides the Participant with written notification that the Participant's employment or term of office, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date; and
- (f) for the purposes of the Plan, a Participant shall not be deemed to have terminated service where: (i) the Participant remains in employment or office within or among the Company or any Subsidiary Company or (ii) the Participant is on a leave of absence approved by the Board.

Section 4.5 Non-transferability of RSUs

RSUs shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.

Section 4.6 Hold Period

Pursuant to Stock Exchange Policies, where a hold period is applicable, the RSU Grant Letter will include a legend stipulating that the RSU Award is subject to a four-month hold period commencing from the date of grant of the RSU Award.

ARTICLE 5 TERMINATION, AMENDMENTS AND ADJUSTMENTS

Section 5.1 Amendment and Termination

- (1) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable law, and subject to any required regulatory approval.
- (2) No such amendment, suspension or termination shall alter or impair any RSUs or any rights pursuant thereto granted previously to any Participant without the consent of such Participant.
- (3) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan termination shall continue in effect during such time as an RSU or any rights pursuant thereto remain outstanding.
- (4) With the consent of the affected Participant, the Board may amend or modify any outstanding RSU in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of

which the RSU becomes exercisable, subject to the prior approval of the Stock Exchange where necessary.

Section 5.2 Change of Control

- (1) Notwithstanding any other provision of this Plan, in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation.

The determination of the Board in respect of any such Change of Control Event shall for the purposes of this Plan be final, conclusive and binding.

Section 5.3 Adjustments

- (1) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Stock Exchange where necessary, appropriate substitution or adjustment in
 - (a) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Plan, and
 - (b) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the Plan; provided, however, that no substitution or adjustment shall obligate the Company to issue fractional RSUs or Common Shares.
- (2) If the Company is reorganized, amalgamated with another Company or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

ARTICLE 6 GENERAL

Section 6.1 Effective Date

The Plan shall be effective upon the approval of the Plan by the Board.

Section 6.2 Notice

Any Notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by facsimile transmission addressed, if to the Company, to the operations office of the Company in Vancouver, British Columbia, Attention: Corporate Secretary; or if to a Participant, to such Participant at his address as it appears on the books of the Company or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

Section 6.3 Tax Withholdings

The Company shall be entitled to withhold such number of Common Shares or amount of cash payable to a Participant, either under this Plan or otherwise, or make such other arrangement as are contemplated under Section 4.3(2), as it may deem necessary or advisable so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding or remittance of tax or other relevant amounts. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified under applicable laws as a result of the Participant's participation in the Plan. The Company shall not be responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

Section 6.4 Rights of Participants

No person entitled to settle any RSU granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any Common Shares issuable upon settlement of such RSU until such Common Shares have been issued to such person.

Section 6.5 Right to Issue Other Shares

The Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

Section 6.6 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the legal representatives of such Participant or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

Section 6.7 Funding of the Plan

The Plan shall be unfunded. No funds will be set aside to guarantee the payment of RSUs, which will remain an unfunded liability recorded on the books of the Company.

**SCHEDULE A
RESTRICTED SHARE UNIT GRANT LETTER**

TO: [Name of Participant]

Dear <@>

Champion Electric Metals Inc. (the “**Company**”) hereby confirms a grant of restricted share units (“**RSU Units**”) to <@> (the “**Participant**”) (as defined in the Company’s Restricted Share Unit Plan (the “**RSU Plan**”) described in the table below pursuant to the Company’s RSU Plan.

This grant is made pursuant to the terms and conditions of the Company’s RSU Plan, as amended from time to time, and is incorporated herein by reference and made a part of this letter agreement. Each RSU Unit granted to the Participant named herein represents the right of the Participant to receive one Common Share in the share capital of the Company on the date(s) or pursuant to the terms specified below. Capitalized terms not otherwise defined herein shall have the same meanings as in the RSU Plan.

No. of RSU Units	Grant Date	Expiry Date

[include any specific/additional vesting period or other conditions]

The Company and the undersigned Participant hereby confirms that the undersigned Participant is a bona fide Director, Officer, Consultant, or Employee as the case may be.

DATED _____, 20____.

CHAMPION ELECTRIC METALS INC.

Per: _____
Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Participant under the RSU Plan, agrees to be bound by the provisions thereof and agrees that the RSU Plan will be effective as an agreement between the Company and the undersigned with respect to the RSU Units granted or otherwise issued to him/her/it.

DATED _____, 20____.

Participant's Signature

Name of Participant (print)

OR

[NAME OF COMPANY PARTICIPANT]

By: _____
Authorized Signatory

Name of Authorized Signatory