



**FISCAL YEAR**

Ended June 30, 2022

**NOTICE**

Annual General Meeting of Shareholders

**MANAGEMENT INFORMATION CIRCULAR**

**Metalo Manufacturing Inc.**

120 Adelaide Street West, 25th floor; Office # 112, Toronto ON, M5H 1T1  
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Canadian Securities Exchange | CSE: MMI



*Notice of Annual General Meeting of Shareholders*

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Metalo Manufacturing Inc. (the “**Corporation**”) will be held as a virtual meeting at <https://us02web.zoom.us/j/89289921621?pwd=M3ZkT0EvWkFrcHhmYm5Kb2dTZlMrdz09> on Tuesday, December 13, 2022 at 10:00 a.m. (Halifax Time) for the following purposes:

1. Receiving the audited consolidated financial statements of the Corporation for the fiscal year ended June 30, 2022 and the Auditor’s Report thereon;
2. Electing eight (8) directors for the ensuing year;
3. Appointing the Auditor of the Corporation and authorizing the Board of Directors to determine its compensation; and
4. Transacting such other business as may properly be brought before the Meeting.

This year, due to public health restrictions related to the coronavirus pandemic and in an effort to mitigate potential health and safety risks, the Meeting will be a fully virtual meeting conducted through a zoom-only format. Shareholders and duly appointed proxyholders are being asked to attend the Meeting by zoom at <https://us02web.zoom.us/j/89289921621?pwd=M3ZkT0EvWkFrcHhmYm5Kb2dTZlMrdz09> or by calling 1.647.374.4685 (Canada)/ 1.646.558.8656 (USA) and entering the Meeting ID: 892 8992 1621 and Passcode: 816984. This will enable registered Shareholders and duly appointed proxyholders to listen to the Meeting, submit questions and vote online. Non-registered Shareholders who have not duly appointed themselves as proxyholders may attend the Meeting virtually as guests, but will not have the ability to vote virtually or ask questions. The Meeting will begin promptly at 10:00 a.m. (Halifax time) on December 13, 2022. Online check-in will begin 15 minutes prior, at 9:45 a.m. (Halifax time). You should allow ample time for online check-in procedures. The accompanying form of proxy or voting instruction form includes detailed instructions on how to attend and vote virtually at the Meeting.

The specific details of the foregoing matters to be put before the Meeting are set forth in the information circular accompanying this notice of meeting.

**DATED** at the Halifax Regional Municipality, in the Province of Nova Scotia, this 7<sup>th</sup> day of November, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

By: (Original signed)  
Name: David J. Hennigar  
Title: Chairman of the Board

**IMPORTANT NOTICE**

Shareholders of record of the Corporation at the close of business on **November 7, 2022**, are entitled to receive notice of the Meeting. Shareholders are invited to complete and sign the enclosed form of proxy and return it in the postage-paid envelope provided for that purpose. To be valid, proxies must be received at Corporation’s transfer agent and registrar, TSX Trust Company, at 301-100 Adelaide West, Toronto, Ont. M5H 4H1 (Attention: Proxy Department), on or before 10:00 a.m. (AST) on December 9, 2022 or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting at which the proxy is to be used. A proxy submitted in paper form should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney.

### *Solicitation of Proxies*

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation by the management of Metalo Manufacturing Inc. (the “**Corporation**”) of proxies to be used at the annual general meeting (the “**Meeting**”) of holders of common shares of the Corporation, to be held on Tuesday, December 13, 2022, at 10:00 a.m. (Halifax time) in a virtual format detailed below for the purposes set out in the accompanying notice of meeting (the “**Notice of Meeting**”).

The costs incurred in the preparation and mailing of both the form of proxy and this Information Circular will be borne by the Corporation. In accordance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. In this Information Circular, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

### *Virtual Meeting*

The Meeting will be held on Tuesday, December 13, 2022 at 10:00 a.m. (Halifax Time) by the Zoom meeting platform. The Zoom meeting platform requires internet connectivity. Registered shareholders wishing to view materials that may be presented by the Corporation’s management will need to utilize the Zoom application. In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the **Meeting ID: 892 8992 1621 and Passcode: 816984**. This Alternatively, shareholders may click on this link to be prompted to attend the meeting: <https://us02web.zoom.us/j/89289921621?pwd=M3ZkT0EvWkFrcHhmYm5Kb2dTZlMrdz09>. Shareholders may also dial into the Meeting by phoning 1.647.374.4685 (Canada)/ 1.646.558.8656 (USA) and entering the Meeting ID and Password noted above. For outside of Canada or the USA, please find your local number at : <https://us02web.zoom.us/j/kdDGeLbqzw>. It is the shareholders responsibility to ensure connectivity during the meeting and encourages its shareholders to allow sufficient time to log in/call in to the Meeting before it begins.

### *Appointment of Proxyholders and Revocation of Proxies*

The persons named in the enclosed form of proxy are representatives of management of the Corporation and are directors and officers of the Corporation. **A shareholder has the right to appoint a person or corporation (who need not be a shareholder of the Corporation) other than the persons designated in the accompanying form of proxy to represent the shareholder at the Meeting. Such right may be exercised by inserting the name of such person or company in the blank space provided in the form of proxy or by completing another proper form of proxy.**

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its executed form of proxy with the Corporation’s transfer agent and registrar, TSX Trust Company, at 301-100 Adelaide West, Toronto, ON, M5H 4H1 (Attention: Proxy Department), on or before 10:00 a.m. (AST) on December 9, 2022 or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting at which the proxy is to be used. A proxy submitted in paper form should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney.

In addition to any other manner permitted by law, a proxy may be revoked, before it is exercised, by an instrument in writing executed in the same manner as a proxy and deposited to the attention of the President of the Corporation at the head office of the Corporation at any time up to 10:00 a.m. (AST) on the last business day before the day of the Meeting or any adjournment thereof at which the proxy is to be used or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof and thereupon the proxy is revoked. The head office of the Corporation is 120 Adelaide Street West, 25th floor; Office # 112, Toronto ON, M5H 1T1..

A shareholder attending the Meeting has the right to vote in person and, if the shareholder does so, his, her or its proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

### *Voting of Proxies*

The common shares represented by proxies appointing proxy nominees will be voted for or against or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the common shares represented by proxy shall be voted accordingly.

### **DISCRETIONARY AUTHORITY**

If a specification is not made with respect to any matter, the proxy will confer discretionary authority and will be voted FOR each item of business. If a shareholder appointed someone else to attend the Meeting and vote on the shareholder’s behalf, he or she can vote as they see fit.

### **ADVICE TO BENEFICIAL HOLDERS**

The information set forth in this section is of significant importance to many shareholders of the Corporation as a substantial number of shareholders do not hold their common shares in their own name and thus are considered non-registered shareholders. Shareholders who do not hold their common shares in their own name (“**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker then, in almost all cases, those common shares will not be registered in the shareholder’s name on the records of the Corporation. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker or another similar entity (an “**Intermediary**”). Common shares held by an Intermediary can only be voted by the Intermediary upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting common shares.

Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary. Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which instructions should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote the common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as a proxyholder should enter their own name in the blank space on the form of proxy provided to them by their Intermediary and return the same to their Intermediary in accordance with the instructions provided by their Intermediary, well in advance of the Meeting.

## NON-OBJECTING BENEFICIAL HOLDERS

These Meeting materials are being sent to both registered and non-registered owners of common shares. If you are a non-registered owner and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you and the accompanying Notice of Meeting are to registered shareholders unless specifically stated otherwise.

### Record Date

Persons registered on the common share records of the Corporation at the close of business on November 7, 2022 (the “**Record Date**”) are entitled to vote at the Meeting.

### Quorum

The by-laws of the Corporation provide two (2) persons present and each holding or representing by proxy at least five (5) percent of the shares entitled to vote at the meeting shall be a quorum.

### Interest of Certain Persons or Companies in Matters to be Acted Upon

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### Voting Securities and Principal Holders of Voting Securities

The authorized share capital of the Corporation consists of an unlimited number of common shares. At the date hereof, the Corporation has 20,500,079 issued and outstanding common shares, each of which carries the right to one vote. No preferred shares are currently issued and outstanding. There are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over common shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation other than as disclosed below.

Name	Shares Held <sup>(1)</sup>	Options Held <sup>(1)</sup>	% Undiluted	% Partially Diluted
David J. Hennigar <sup>(2)</sup>	6,773,199	160,000	33.04%	33.56%
Francis MacKenzie	1,765,193	180,000	8.73%	9.53%

#### Notes:

- (1) The above information was supplied to the Corporation by the shareholders and from insider reports available at [www.sedi.com](http://www.sedi.com).
- (2) On May 1, 2015, a company controlled by Mr. Hennigar subscribed for a convertible debenture. Interest payments due throughout the financial year were paid out in common shares of the Corporation. Additional information is available at [www.sedar.com](http://www.sedar.com) and [www.metal.ca](http://www.metal.ca).

### Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the financial year ended June 30, 2022 together with the auditor's report thereon, will be presented to the shareholders at the Meeting, but no vote by the shareholders with respect thereto is proposed to be taken. Receipt at the Meeting of the auditor's report and the Corporation's financial statements for its most recently completed financial year will not constitute approval or disapproval of any matters referred to therein. The audited consolidated financial statements of the Corporation for the financial year ended June 30, 2022, together with the auditor's report thereon, have been filed and are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Election of Directors

The board of directors (the “**Board**”) of the Corporation presently consists of eight (8) directors. The Corporation proposes electing a Board of eight (8) directors. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Corporation or within the provisions of the *Business Corporations Act* (Alberta).

The following table sets out the names of the proposed nominees for election as directors, the country in which each is ordinarily resident, all offices of the Corporation now held by each of them, if any, their principal occupations, or employments during the past five years if such nominee is not presently an elected director, the period of time each has been a director of the Corporation, and the number of common shares of the Corporation beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name and Residence of Nominee	Position or Office	Principal occupation for the past 5 years	No. of Common Shares Beneficially Owned*
J. Paul Allingham <sup>(1)(2)</sup> Burlington, ON	Independent Director since November, 2000	Mr. Allingham is currently a management consultant, a director and officer of Hut 2 Hut Events and a director of the Art Fair Company.	79,264
Joe Flabbi Toronto, ON	Independent Director since December, 2021	Mr. Flabbi CPA, CA has been a partner for the past 10 years at Flabbi & Associates LLP and is the President and Director of Envirowall Partition Systems Limited and 2338941 Ontario Inc. He was a public company audit partner at BDO Canada LLP, specializing in the mining industry, he also headed the committee responsible for Construction and Real Estate Development.	92,500
David J. Hennigar Bedford, NS	Director & Chairman since October, 2001	Mr. Hennigar has spent his career in the securities business as an analyst, salesman, manager, director and chairman. He was the founder of Acadian Securities Inc. and began employment with Burns Bros and Denton Limited. He has been a director of a number of companies including Extencicare, Crown Life, Assisted Living Centers, Halifax Developments and Crombie REIT where he retired as Lead Director. Currently he is chairman of Thornridge Holdings Limited, a director or Chairman of a number of other public and private companies, including Highliner Foods Inc. He	6,773,199

		is also a director and chairman of Grand River Ironsands Incorporated and Labrador Sands Inc.	
<b>Francis MacKenzie</b> Bedford, NS	Director, President & CEO since February, 2012	Mr. MacKenzie is currently a director or officer of numerous private companies, including Grand River Ironsands Incorporated, Labrador Sands Inc. (previously North Atlantic Iron Corporation), and Pure Fonte Ltée.	1,765,193
<b>Jean-Marc MacKenzie</b> <sup>(2)</sup> Toronto, ON	Director since February, 2012 Interim CFO since December, 2019	Mr. MacKenzie is currently President of TMM Management and is an accomplished senior executive specializing in law, corporate development and governance for the past 25 years. He is also a director of Grand River Ironsands Incorporated.	400,000
<b>Paul Snelgrove</b> <sup>(2)</sup> Goose Bay, NL	Independent Director since February, 2012	Mr. Snelgrove is a businessman based in in Happy Valley-Goose Bay, NL, as well as Chairman of the HVGB Airport Authority and a director of Grand River Ironsands Incorporated.	350,000
<b>K. Barry Sparks</b> <sup>(3)</sup> Toronto, ON	Director since February, 2012 Vice-Chairman since December 2019	Mr. Sparks is currently a director and CEO of NamSys Inc.. He is also the President of Torvan Capital Group, a division of Ashley Park Enterprises Inc. As of October 24, 2017, Mr. Sparks is also a director and chairman of World Wide Minerals Inc.	510,000
<b>E. Christopher Stait-Gardner</b> <sup>(3)</sup> Vaughan, ON	Independent Director since November, 2000	Mr. Stait-Gardner is a corporate director of NamSys Inc. and the independent chairman.	110,514

\*The information as to residence, principal occupation(s) and common shares beneficially owned or controlled or directed is based on information furnished to the Corporation by the respective nominees as at the date of this Circular.

*Notes:*

- (1) Member of the Audit Committee. J. Paul Allingham will continue to serve as Chairman of the Audit Committee.
- (2) Member of the Corporate Governance and Compensation Committee. Jean-Marc MacKenzie will continue to serve as Chairman of the Corporate Governance and Compensation Committee.
- (3) K. Barry Sparks and E. Christopher Stait-Gardner both sit on the board of NamSys Inc.

#### BIOGRAPHIES OF PROPOSED DIRECTORS

The following are short biographies of each nominee for election as a director of the Corporation:

*J. Paul Allingham* – Executive Vice President dmg world media from 2000 to 2006; Chief Financial Officer & Secretary, dmg world media from 1996 to Dec. 2006; Chief Financial Officer, Brunco Inc. and New Brunswick Telephone Company Ltd. from 1993 to 1996.

*Joe Flabbi* – Partner at Flabbi & Associates LLP from 1992 to 2007 and 2011-current; Partner at BDO Canada LLP from 2008 and 2011.

*David J. Hennigar* – Director of High Liner Foods Inc., a major North American marketer of seafood products (listed TSX); Chairman of Thornridge Holdings Limited; Chairman of Annapolis Group Inc., a real estate developer; Chairman of Landmark Global Financial Corporation (listed TSXV NEX); Chairman and Director of Aquarius Surgical Technologies Inc. (Listed CSE). Also a director of a number of other companies, including, SolutionInc Technologies Limited (listed TSXV), MedX Health Corp. (listed TSXV), Chairman of Grand River Ironsands Incorporated and Labrador Sands Inc.

*Francis MacKenzie* – President and director of Grand River Ironsands Incorporated from 2007-Present; president and director of Labrador Sands Inc. and Pure Fonte Ltée; an employee of public companies and operated several businesses; was a senior official in municipal and provincial governments; was an officer and director of two publicly traded companies including P2P Health Systems Inc. and the Corporation; and was Leader of a provincial political party.

*Jean-Marc MacKenzie* – Mr. MacKenzie is a member of the Bar in Ontario. He has over 25 years of executive experience with international healthcare companies; is extensively involved in the mining industry with respect to health and safety regulatory compliance and is the chairman of Metalco's Corporate Governance and Compensation Committee. Mr. MacKenzie is also a director of Grand River Ironsands Incorporated.

*Paul Snelgrove*- Businessman in Happy Valley-Goose Bay, NL as well as Chairman of the HVGB Airport Authority and a Director of Grand River Ironsands Incorporated.

*K. Barry Sparks* - CEO and Director NamSy Inc. (TSXV:CTZ); President, Torvan Capital Group, a division of Ashley Park Enterprises Inc., corporate finance, advisory and management company. Mr. Sparks joined World Wide Minerals Inc. ("WWM") as its Chairman and Director at the request of existing management and some of its shareholders in 2017. WWM was delisted from the TSXV in 1998 but is still involved in a long-standing dispute with the Kazakhstani government. WWM maintains that a Kazakhstani government policy shift that resulted in uranium export license denials caused WWM financial harm in the amount of approximately \$1.7 billion. The matter has been heard by the United Nations Dispute Tribunal for arbitration and its final judgment is anticipated soon.

*E. Christopher Stait-Gardner* - Corporate director NamSy Inc. (TSXV:CTZ). Mr. Stait-Gardner was the President and a director of Giesecke and Devrient Canada Inc. from 1996 to 1999 following its acquisition of Security Card Systems Inc., a business which he controlled and served as president from 1989. Prior to 1989, he held executive officer positions with the Bank of Montreal, Hudson's Bay Company and IBM Canada Limited. Mr. Stait-Gardner has also served as Vice Chairman Interac Association, President MasterCard Association of Canada and was a member of the Senior Planning Committee of the Canadian Payments Association; the Canadian Bankers Association Interbank Operations Committee and the Retail Counsel of Canada Systems Committee. He also previously served as a member of the Board of CIRRU Systems Inc. of Chicago.

The Board does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

#### CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

Except as disclosed below, no proposed director of the Corporation is, or has been, within 10 years before the date of this Information Circular, a director, CEO or CFO of any company that: (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO. For the purposes hereof, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No proposed director of the Corporation: (a) is, or has been, within the 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed

to hold its assets, other than Mr. Francis MacKenzie who is a director of Forks Specialty Metals Inc. which filed for bankruptcy on December 28, 2017 or (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### *Statement of Corporate Governance*

NI 58-101 and National Policy 58-201 – Corporate Governance Guidelines (“**NP 58-201**”) set out a series of guidelines for effective corporate governance. Each reporting issuer, including the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The Corporation’s disclosure with respect to its corporate governance practices is attached to this Information Circular as Schedule “A”.

In addition, the Corporation has adopted several policies and charters, discussed briefly below, which are all available for viewing on the Corporation’s website at [www.metalo.ca](http://www.metalo.ca).

#### CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE CHARTER

The Corporate Governance and Compensation Committee Charter has been adopted by the Board to assist the Corporate Governance and Compensation Committee and the Board in the exercise of their responsibilities, particularly by defining the scope of the Committee’s authority in respect of corporate governance, compensation and nomination.

#### CODE OF BUSINESS CONDUCT AND ETHICS

The Code of Business Conduct and Ethics covers a wide range of business practices and procedures. Its key focus is to provide guidelines for the ethical behavior based on the Corporation’s values, applicable laws and regulations, and corporate policies. It applies to all directors, officers, employees, consultants and other agents and representatives dealing with the Corporation.

#### BOARD GUIDELINES

The Board is primarily responsible for supervising the management of the Corporation's business and affairs. Its authority is determined by the provisions of the *Business Corporations Act* (Alberta) and by the Corporation's by-laws. In addition, the Board's activities are governed by a set of procedural rules which were adopted by the Board. The Board regularly reviews its guidelines and policies and, not less than annually, considers how its corporate governance practices align with guidelines established by the Canadian regulatory authorities having authority, including the Canadian Securities Exchange (the “**CSE**”).

#### WHISTLEBLOWER POLICY

The Corporation has a Whistleblower Policy that is intended to encourage and enable directors, officers, employees and consultants, to raise serious concerns about any wrong doing or violations or suspected violations, including those relating to accounting, internal accounting controls, questionable accounting or auditing matters, applicable laws and regulations and the Corporation’s Code of Business Conduct and Ethics. Parties with a complaint may confidentially report to Paul Allingham, an independent director of the Corporation.

#### DISCLOSURE, CONFIDENTIALITY AND INSIDER TRADING POLICY

The Corporation has adopted a Disclosure, Confidentiality and Insider Trading Policy to ensure consistent standards and procedures are in place for all public disclosures of both material and non-material information. The Corporation has established a Corporate Communications and Disclosure Group which is responsible for ensuring the terms of this Policy are adhered to and to periodically review its terms and make recommendations on improvement.

#### SUSTAINABLE DEVELOPMENT AND HEALTH, SAFETY & ENVIRONMENT POLICY

The Corporation has adopted a Sustainable Development and Health, Safety & Environmental Policy. The Corporation is committed to sustainable development by maximizing the resources mined or to be mined, pursuing opportunities to enhance environmental, social and economic benefits, and by reducing adverse effects that may result from its undertakings. All officers, directors, employees and consultants are responsible for adherence to this Policy.

#### MAJORITY VOTING

Currently, director elections under the Canadian legal regime is based on a "plurality system" where shareholders vote either "for" a director or "withhold" their vote (i.e. do not vote). In a plurality system, withhold votes do not count and technically a director needs only one "for" vote to be elected to the board. The Canadian Coalition for Good Governance has recommended all issuers adopt a majority voting policy and, although not mandatory for CSE issuers, the Corporation has adopted such a policy. Its policy states, amongst other things, that any director receiving 50% + 1 withheld votes, those votes would be considered votes "against" the director and that director should tender his resignation. Once a resignation is submitted, the Corporate Governance and Compensation Committee will review any extra circumstances surrounding the voting results and make a decision whether or not to accept the resignation. The Committee's decision is made public.

### *Appointment and Remuneration of Auditor*

At the Meeting, the shareholders will be called upon to approve the re-appointment of PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders, and to authorize the Board to establish its remuneration.

The Board recommends that shareholders vote FOR the reappointment of PricewaterhouseCoopers LLP as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor. Unless the shareholder directs that his, her or its common shares are to be withheld from voting in connection with the reappointment of the auditor, the persons named in the enclosed form of proxy will vote FOR the reappointment of PricewaterhouseCoopers LLP as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor. A majority of the votes cast by shareholders at the Meeting is required to approve the appointment of the auditor and to authorize the directors to fix the remuneration of the auditor.

### *Statement of Executive Compensation*

#### DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Securities legislation requires the disclosure of certain financial and other information relating to a reporting issuer’s ‘Named Executive Officers’, which are defined as:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.



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## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table sets forth the compensation earned in each of the Corporation's two most recently completed financial years by its Named Executive Officers ("NEOs"):

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Francis MacKenzie <sup>(1)</sup> President/CEO and Director	2022	30,000 (Paid by the Corporation) 75,000 (Paid by GRI)	Nil	Nil	Nil	Nil	\$105,000 <sup>(1)</sup>
	2021	30,000 (Paid by the Corporation) 75,000 (Paid by GRI)	Nil	Nil	Nil	Nil	\$105,000 <sup>(1)</sup>
Jean-Marc MacKenzie <sup>(2)</sup> Interim CFO and Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

### Notes:

- Mr. MacKenzie is compensated in his capacity as an officer of the Corporation only and is not compensated for acting as a director as well. Mr. MacKenzie is paid a consulting fee by the Corporation of \$30,000 and a consulting fee of \$75,000 by Grand River Ironsands Incorporated, the Corporation's partially owned subsidiary, for a consolidated fee of \$105,000. **These fees have been accrued and not paid to preserve cash and may be written-off pending a determination by the Board at a later date.**
- Mr. Jean-Marc MacKenzie is a director of the Corporation and has been acting as the Interim CFO of the Corporation since December, 2019.

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## STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

There were no compensation securities granted or issued to any director or NEO by the Corporation or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

At the end of the most recently completed financial year, Paul Allingham, Jean-Marc MacKenzie, Paul Snelgrove, Barry Sparks and Chris Stait-Gardner each held in aggregate, 155,000 options to purchase common shares of the Corporation. Joseph Flabbi held 40,000 options, David Hennigar held 160,000 options and Francis MacKenzie held 180,000 options to purchase common shares of the Corporation.

At the end of the most recently completed financial year, there were no options to purchase common shares of GRI.

The options vested upon issuance and there are no restrictions converting, exercising or exchanging the compensation securities.

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## EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOS

During the most recently completed financial year, no director or NEO exercised any of their options to purchases shares of the Corporation.

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## STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The Corporation previously adopted a 20% fixed number stock option plan, which was approved by shareholders on December 5, 2017, reserving 3,504,614 (20% of the issued and outstanding Common Shares on such date). There were 1,610,000 stock options issued and outstanding as of the Record Date.

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## EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

The Corporation is not a party to employment, consulting or management agreements.

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## OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The Corporation has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Corporate Governance and Compensation Committee (discussed below) has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

Since the preservation of cash is an important goal of the Corporation, an important element of the compensation awarded to the executive officers is the granting of stock options, which do not require cash disbursement by the Corporation. The granting of stock options also helps to align the interests of the executive with the interests of the Corporation. The other two elements of the compensation the Corporation awards to its executives are: (i) base cash consulting fees; and (ii) in applicable circumstances, cash bonus payments for achievement of stated milestones or benchmarks. The Corporation does not provide executives with perquisites or personal benefits that are not otherwise available to all of our employees.

The deliberations of the Corporate Governance and Compensation Committee are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation's executives. At the request of the Compensation Committee, the executives may, from time to time, provide advice to the Corporate Governance and Compensation Committee with respect to the compensation program for the Corporation's executives. The Committee makes recommendations regarding the compensation to be awarded to the executives to the full Board of Directors.

The Corporation relies on its Corporate Governance and Compensation Committee and its Board, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its executives. The Board is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the executives of the Corporation, and to others, including, without limitation, to the Corporation's directors, and for reviewing the Corporate Governance and Compensation Committee's recommendations regarding the compensation to be awarded to any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position. The Board incorporates the following goals when it makes its compensation decisions with respect to the Corporation's executives: (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Corporation's shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

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## PENSION DISCLOSURE



The Corporation does not currently have a pension plan.

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

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column (a))
Equity compensation plans approved by security holders	1,610,000	\$0.77	1,894,614
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	1,610,000	\$0.77	1,894,614

#### Audit Committee Information

##### AUDIT COMMITTEE CHARTER

The Corporation must, pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("NI 52-110"), have a written charter which sets out the duties and responsibilities of its audit committee. The audit committee is responsible for overseeing the accounting and financial reporting process of the Corporation and annual external audits of the consolidated financial statements. The audit committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out in the Corporation's audit committee mandate, attached to this Information Circular as Schedule "B". The audit committee has adopted specific policies and procedures for the engagement of non-audit services, pursuant to the Audit Committee Mandate.

##### COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is currently comprised of J. Paul Allingham (Chairman), E. Christopher Stait-Gardner and K. Barry Sparks, each of whom is financially literate. The majority of its members are considered independent pursuant to National Instrument 52-110 – Audit Committees ("NI 52-110").

##### RELEVANT EDUCATION AND EXPERIENCE

The relevant education and experience of each current and proposed Audit Committee member is disclosed above under "Election of Directors – Biographies of Proposed Directors".

##### AUDIT COMMITTEE OVERSIGHT

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

##### RELIANCE ON CERTAIN EXEMPTIONS

The Corporation has not relied on the exemption in Section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, which relates to the Audit Committee's pre-approval of non-audit services. The Corporation has not relied on an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110, which permits a securities regulatory authority or regulator to grant an exemption from the requirements of NI 52-110. The Corporation is exempt from the requirements of Part 3 (*Composition of Audit Committee*), although its audit committee members are all independent, and Part 5 (*Reporting Obligations*) of NI 52-110.

##### PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

##### EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The approximate aggregate fees billed by the Corporation's external auditors during the last three financial years are described below:

Financial Year	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2022	\$95,000 (estimate)	Nil	Nil	Nil
2021	\$55,000	Nil	Nil	Nil
2020	\$75,000	Nil	Nil	Nil

##### OTHER

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

#### Indebtedness of Directors and Executive Officers

As of the date of this Information Circular, no director, proposed nominee for election as a director, senior officer, or any of their respective associates or affiliates, is or has been indebted to the Corporation or its subsidiaries, other than as disclosed in this Information Circular.

#### Interest of Informed Persons in Material Transactions

Other than as disclosed in this Information Circular, no informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

*Particulars of Other Matters to be Acted Upon*

To the knowledge of the Board of the Corporation, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting and herein.

*Other Business*

Management is not aware of any other matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

*General*

All matters, other than those described as special resolutions, to be brought before the Meeting require, for the passing of same, a simple majority of the votes cast at the Meeting by the holders of common shares.

*Additional Information*

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the CSE at [www.thecse.com](http://www.thecse.com). The Corporation will provide to any person or company, upon request to the Corporation, one copy of the Corporation's most recently filed annual financial statements and MD&A and any interim financial statements and associated MD&A of the Corporation that have been filed for any period after the end of its most recently completed financial year. The Corporation may require the payment of a reasonable charge when a request is made by someone who is not a holder of common shares. Requests should be made in writing to the Corporation's at 120 Adelaide Street West, 25th floor; Office # 112, Toronto ON, M5H 1T1.

*Board Approval*

The contents and sending of this Information Circular have been approved by the Board of Directors of the Corporation.

BY ORDER OF THE BOARD OF DIRECTORS

By:	<i>(Original signed)</i>
Name:	David J. Hennigar
Title:	Chairman

*Board of Directors*

The Board of Directors of the Corporation (the "**Board**") are responsible for overseeing the management of the Corporation and the conduct of the Corporation's affairs. The Board consisted of eight members - J. Paul Allingham, Joseph Flabbi, David Hennigar, Francis Mackenzie, Jean-Marc MacKenzie, Paul Snelgrove, K. Barry Sparks, and E. Christopher Stait-Gardner, four (4) of whom are independent. Directors are expected to attend board meetings and meetings of the committees on which they serve and to spend the time needed to properly discharge their responsibilities. The attendance record of each director for all Board and Committee meetings held during the Corporation's most recently completed financial year is set out below.

Each Board Member who is not an officer of the Corporation received \$350 in director's fees per meeting.

<i>Director</i>	<i>Total No. of Board Meetings</i>	<i>Total No. of Committee Meetings</i>	<i>Attendance %</i>
J. Paul Allingham	4 out of 4	4 out of 4	100%
Joseph Flabbi	3 out of 3	N/A	100%
David Hennigar	4 out of 4	N/A	100%
Francis Mackenzie	4 out of 4	N/A	100%
Jean-Marc MacKenzie	2 out of 4	0 out of 1	40%
Paul Snelgrove	4 out of 4	N/A	100%
K. Barry Sparks	4 out of 4	3 out of 3	100%
E. Christopher Stait-Gardner	4 out of 4	3 out of 3	100%

During the year ended June 30, 2022, in addition to being directors of the Corporation, David J. Hennigar was chairman or director of Landmark Global Financial Corporation, MedX Health Corp., High Liner Foods Inc., Aquarius Surgical Technologies Inc., and SolutionInc Technologies; Mr. K. Barry Sparks was a director of Cencotech Inc. (TSXV:CTZ), Dundee Corporation (TSX:DC.A) and E. Christopher Stait-Gardner was a director of Cencotech Inc. Information regarding other directorships held by nominees for election or re-election to the Board is set out under "Election of Directors".

*Orientation and Continuing Education*

The Corporation does not have a formal orientation or continuing education program for directors. All of the current directors are intimately familiar with the Corporation's business and activities. New directors are provided with access to recent, publicly filed documents of the Corporation and given copies of all Board minutes and corporate governance materials. New directors are encouraged to ask questions and communicate with management and employees to keep themselves current with industry trends and changes in corporate legislation.

*Ethical Business Conduct*

The Board monitors the ethical conduct of the Corporation and its management and ensures that it complies with applicable legal and regulatory requirements. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

*Nomination of Directors*

The Board does not have a nominating committee. Instead, the Board, the Corporate Governance and Compensation Committee and management work together to identify new candidates for nomination, taking into account the qualifications of the proposed directors and the specific needs, expertise or vacancies required to be filled among the Board.

*Audit Committee*

The Corporation's Audit Committee is currently comprised of three (3) directors, Paul Allingham (Chairman), K. Barry Sparks and Chris Strait- Gardner. Paul Allingham (Chairman) and Chris Strait- Gardner are independent and all of the Audit Committee members are financially literate.

*Corporate Governance and Compensation Committee*

The Corporation has a Corporate Governance and Compensation Committee which reviews the compensation of directors and officers, including the granting of stock options and makes recommendations to the full Board of Directors. The Corporate Governance and Compensation committee consists of three (3) directors: Jean-Marc MacKenzie (Chairman), J. Paul Allingham and Paul Snelgrove. J. Paul Allingham and Paul Snelgrove are considered independent directors. The Corporate Governance and Compensation Committee determines compensation of directors and officers with reference, in part, to compensation of officers and directors in similar industries performing similar functions.

*Assessments*

The Board does not make regular formal assessments of the Board, its committees or its members. The Board satisfies itself on an informal basis, from time to time, that its members and its committees are performing effectively.

## 1. Establishment of Committee

1.1. *Establishment of the Audit Committee Confirmed.* The establishment of the audit committee of the board of directors of Metalo Manufacturing Inc. is hereby confirmed with the purpose, constitutions and responsibilities herein set forth.

1.2. *Certain Definitions.* In this mandate:

“**Board**” means the board of directors of Metalo Manufacturing Inc.;

“**Chair**” means the chair of the Committee;

“**Committee**” means the audit committee of the Board;

“**Director**” means a member of the Board;

“**External Auditor**” means the person occupying the office of auditor of the Corporation in accordance with the Alberta *Business Corporations Act*;

“**Internal Auditor**” means the person responsible for the internal audit function with respect to Metalo Manufacturing Inc.;

“**Mandate**” means this written mandate of the Committee and any such mandate for the Committee which the Board resolves from time to time shall be the mandate of the Committee; and

“**Metalo**”, “**Corporation**” or “**MMI**” means Metalo Manufacturing Inc.

## 2. Purpose and Objective

2.1. *Purpose.* The Committee's purpose is to assist the Board in the discharge of its obligations in connection with (a) the integrity of the company's financial statements; (b) the company's compliance with legal and regulatory requirements; (c) the independent auditor's qualifications and independence; and (d) the integrity of the company's internal control and management information systems.

2.2. *Discharge of Responsibilities.* The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Sections 8 and 9 of this Mandate.

## 3. Authority and Outside Advisors

The Board authorizes the Committee, within the scope of its responsibilities, to seek information it requires from any employee. The Board further authorizes the Committee to communicate directly with internal and external auditors in fulfillment of this mandate. The Committee shall also have the authority to retain (and terminate) such outside legal, accounting or other advisors as it may consider appropriate and shall not be required to obtain the approval of the Board in order to retain or compensate such advisors. The Committee shall have sole authority to approve related fees and retention terms.

## 4. Committee Membership

4.1. *Number of Members.* The Committee shall consist of not fewer than three Directors, at least twenty-five percent of whom shall be Canadian residents. For greater certainty, every member of the Committee must be a Director.

4.2. *Independence of Members.* Unless otherwise determined by the Board and permitted by ML 52-110, the Committee shall be composed solely of Directors who a) Have no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of such Director's independent judgment; and b) Are otherwise independent as determined in accordance with ML 52-110.

4.3. *Financial Literacy.* Each member of the Committee shall be financially literate. Financially literate shall mean that the member is capable of understanding and interpreting financial statements and competent in the analysis of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues reasonably expected to be raised in the preparation and presentation of MMI's financial statements.

4.4. *Accounting or Related Financial Experience.* Members should have education and experience that is relevant to his or her responsibilities as an audit committee member including: (a) an understanding of generally accepted accounting principles and financial statements; (b) ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls and procedures for financial reporting; and (e) an understanding of audit committee functions.

4.5. *Annual Appointment of Members.* The members of the Committee shall be appointed by the Board. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

4.6. *Vacancy.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. When such vacancy is the result of the death, disability or resignation of a member of the Committee and where the Board is required to fill such vacancy, the Committee member so appointed shall be exempt from the independence and financial literacy requirements in Sections 4.2 and 4.3 respectively until the later of (i) the next annual general meeting of the Corporation or (ii) the date that is six months from the day of vacancy was created.

## 5. Committee Chair

5.1. *Board to Appoint Chair.* The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair from among its members). If, at any meeting, the Chair is not in attendance, then the Vice-Chair, if any, shall be responsible for chairing the meeting and for delivering a casting vote, as necessary.

5.2. *Chair to be Appointed Annually.* The designation of its Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5.3. *Casting Vote.* In case of an equality of votes, the Chair in addition to his original vote shall have a second or casting vote.

## 6. Committee Meetings

- 6.1. *Quorum.* A quorum of the Committee shall be a majority of its members (present in person or by telephone). No business shall be transacted by the Committee except at a meeting at which a quorum of the Committee is present.
- 6.2. *Secretary.* The Secretary of the Committee will be the Secretary of the Board, unless otherwise appointed by the Chair. The Secretary may, but need not, be a member of the Committee.
- 6.3. *Time and Place of Meetings.* The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least quarterly. In addition, meetings may be called by any member of the Committee or by the External Auditor on not less than 72 hours' notice unless such notice is waived by all members of the Committee and by the External Auditor.
- 6.4. *Right to Vote.* Each member of the Committee shall have the right to vote on matters that come before the Committee.
- 6.5. *Invitees.* The External Auditor, the Chief Executive Officer and the Chief Financial Officer of Metalco shall be entitled to receive notice of and to be heard at each meeting of the Committee, as non-voting observers. The Committee may additionally invite Directors, officers and employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.
- 6.6. *Non-Management Sessions.* As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee reviews the interim financial statements, the Committee shall meet separately with each of (a) management; and (b) the External Auditor, for the annual audited financial statements.

In addition, at the conclusion of all other meetings of the Committee, the non-management directors shall meet without any member of management being present (including any Director who is a member of management). No minutes of the non-management sessions will be taken unless the Chair of the meeting requests in writing that the discussion be added to the meeting minutes.

## 7. Remuneration of Committee Members

- 7.1. *Director Fees Only.* No member of the Committee may accept, directly or indirectly, any fees from the Corporation or any of its subsidiaries other than directors' fees (which fees may include cash and/or shares options or other in-kind consideration ordinarily available to Directors, as well as all of the regular benefits that other Directors receive).
- 7.2. *Other Payments.* For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Corporation and its affiliates.

## 8. Duties and Responsibilities of the Committee

### 8.1. Financial and Related Information

- (a) Financial Reporting. The Committee shall only review annual and interim financial reports and related financial documents for release to the public after the Chief Financial Officer has certified that the financial statements provide full and complete disclosure and that no material undisclosed liabilities or contingencies exist.
- (b) Annual Financial Statements. The Committee shall review and discuss with management and the External Auditor, the Corporation's annual financial statements and related MD&A and report thereon to the Board before the Board approves those statements for release to the public.
- (c) Interim Financial Statements. The Committee shall review and discuss with management, the Corporation's interim financial statements and related MD&A before they are submitted to the Board of Directors for approval and release to the public.
- (d) Annual and Interim Earnings. The Committee shall review and discuss with management the press releases relating to the Corporation's annual and interim earnings before such press releases are publicly disclosed.
- (e) Accounting Treatment. The Committee shall review and discuss with management on a timely basis:
- (i) major issues regarding accounting policies, principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;
  - (ii) analyses prepared by management setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of IFRS methods on the financial statements;
  - (iii) the effect on the financial statements of the Corporation of regulatory and accounting initiatives and issues, as well as off-balance sheet transactions, structures, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;
  - (iv) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
  - (v) any financial information or financial statements in prospectuses and other offering documents;
  - (vi) the management certifications of the financial statements as may be required by applicable securities laws in Canada or otherwise, and all certifications and reports of any disclosure committee established by management from time to time;
  - (vii) any other relevant reports or financial information submitted by the Corporation to any governmental body or to the public.
- (f) Discussion of Accounting Treatments. The Committee shall have direct communication channels with the External Auditor to discuss and review specific issues as appropriate.
- (g) Disclosure of Other Financial Information. The Committee shall discuss with management and the External Auditor, if deemed necessary: (i) the types of information to be disclosed and the type of presentation to be made in connection with earnings press releases paying particular attention to any use of "pro forma" or "adjusted" non-IFRS information; and (ii) financial information and earnings guidance (if any) provided to analysts and rating agencies; and (iii) the public disclosure of any other financial information extracted from financial statements other than the public disclosure referred to in (a), (b) and (c).
- (h) Review of Communications. The Committee shall review with the External Auditor all material written communication between the External Auditor and management including, but not limited to, the management letter and any schedule of unadjusted differences.

## 8.2. *External Auditor*

- (a) Authority with Respect to External Auditor. As the representative of Metalco shareholders, the Committee shall be directly responsible for overseeing the work of the External Auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. The Committee shall require the External Auditor to acknowledge in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.
- (b) Selection of External Auditor. The committee shall have sole responsibility for recommending to the Board the External Auditor to be nominated to the Corporation's shareholders for appointment and whether at any time the incumbent External Auditor should be removed from office. The Committee shall not recommend an External Auditor who is not a participating audit firm as defined in National Instrument 52-108 – Auditor Oversight.
- (c) Compensation of External Auditor. The Committee shall have sole responsibility for recommending the compensation of the External Auditor to the Board.
- (d) Competency of External Auditor. Once each year (and otherwise as the Chair may consider appropriate) the Committee shall review with the External Auditor its performance and that of the lead audit partner and obtain and review a report by the External Auditor describing: (i) the External Auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor's firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor's firm, and any steps taken to deal with any such issues; (iii) all material relationships between the External Auditor and the Corporation (for the purposes of assessing the auditor's independence); and (iv) to review annually with the External Auditor its performance and that of its lead audit partner.
- (e) Review of Audit Problems. The Committee shall review with the External Auditor any audit problems or difficulties and management's response.
- (f) Independence. The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process, the Committee shall (i) require the External Auditor to confirm on a periodic basis to the Committee, delineating all relationships between the External Auditor and Metalco and that the Committee is responsible for actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and for recommending that the Board take appropriate action in response to the External Auditors' report to satisfy itself of the External Auditors' independence; (ii) pre-approve any non-audit services provided by the External Auditor to Metalco, subject to Board ratification; and (iii) review and approve hiring policies with respect to partners, employees and former employees of present and former External Auditors.

8.3. *Management Response.* The Committee shall obtain management's response to significant remarks or findings of the External Auditor and shall follow-up as required on the status of the implementation of corrective measures.

8.4. *Related Party Transactions.* The Committee shall review and approve all related party transactions in which the Corporation is involved or which the Corporation proposes to enter into.

8.5. *Risk Assessment, Risk Management and Internal Control.* The Committee shall gain an understanding of the Corporation business and shall discuss the Corporation major financial risk exposures and the steps management has taken to monitor and control such exposures. The Committee shall assess and evaluate management's internal control plan. The Committee shall obtain regular updates from management and legal counsel regarding compliance matters.

8.6. *Other Matters.* The Committee shall perform any other activities consistent with this Mandate, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

## 9. **Whistle Blowing**

9.1. *Procedure.* As soon as practicable following the release of rules implementing requirements with respect the procedures described in this Section 9.1, the Committee shall put in place procedures for (i) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

## 10. **Reporting to the Board**

10.1. *Regular Reporting.* The Committee shall report to the Board following each meeting of the Committee and at such other times as the Chair may determine to be appropriate (provided that the Committee shall report to the Board at least four times per year) and shall ensure that the Board is made aware of matters that may significantly affect the financial condition or affairs of Metalco.

## 11. **Evaluation of Committee Performance**

11.1. *Establish Process.* In time, the Board shall establish a process for all committees of the Board for assessing the performance of such committees on a regular basis and, once established, the Committee shall follow such process in assessing its performance.

11.2. *Amendments to Mandate.* The Committee shall recommend to the Board on an annual basis, any amendments it considers desirable to this mandate. The Board will review and reassess the adequacy of the Mandate on an annual basis and at such other times as it considers appropriate.





