

# HYDRO66 HOLDINGS CORP.

#1305 - 1090 W. Georgia Street  
Vancouver, British Columbia V6E 3V7

## MANAGEMENT INFORMATION CIRCULAR As at July 3, 2020

### SOLICITATION OF PROXIES

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF HYDRO66 HOLDINGS CORP.** (the "**Company**") of proxies to be used at the annual general meeting of shareholders of the Company to be held on Friday, August 14, 2020 at the office of Irwin Lowy LLP at Suite 401, 217 Queen Street West, Toronto, Ontario M5V 0R2 at 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the "**Meeting**") for the purposes set out in the accompanying notice of meeting (the "**Notice of Meeting**"). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. 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 brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice of Meeting, this management information circular (the "**Management Information Circular**"), the annual consolidated financial statements of the Company for the financial year ended December 31, 2019 and related management's discussion and analysis and other meeting materials, if applicable (collectively the "**Meeting Materials**") to the beneficial owners of the common shares of the Company (the "**Common Shares**") held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice of Meeting.

#### COVID-19 GUIDANCE

**In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out in the Notice of Meeting and this Management Information Circular.**

#### APPOINTMENT AND REVOCATION OF PROXIES

A holder of Common Shares who appears on the records maintained by the Company's registrar and transfer agent as a registered holder of Common Shares (each a "**Registered Shareholder**") may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Management Information Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the transfer agent and registrar of the Company, Capital Transfer Agency ULC (the "**Transfer Agent**") not later than 10:00 a.m. (Eastern time) on Wednesday, August 12, 2020 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

<b>By Mail or Hand Delivery:</b>	Capital Transfer Agency ULC Suite 920 390 Bay Street Toronto, Ontario M5H 2Y2
<b>By E-mail:</b>	<a href="mailto:info@capitaltransferagency.com">info@capitaltransferagency.com</a>
<b>By Fax :</b>	416-350-5008
<b>By Internet:</b>	<a href="http://www.capitaltransferagency.com/voteproxy">www.capitaltransferagency.com/voteproxy</a>  You will need to provide your 15-digit control number (located on the form of proxy accompanying this Management Information Circular)

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

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the provisions of the *Business Corporations Act* (British Columbia), to (i) the registered office of the Company, located at Suite 1100, 736 Granville St., Vancouver, British Columbia V6Z 1G3, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

#### EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Management Information Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Management Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

#### ADVICE TO NON-REGISTERED SHAREHOLDERS

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name.** Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a beneficial holder of Common Shares who does not appear on the records maintained by the Company's registrar and transfer agent as a registered holder of Common Shares (each a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (each

a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

#### ***Distribution of Meeting Materials to Non-Registered Holders***

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company's OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

#### ***Voting by Non-Registered Holders***

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

*Voting Instruction Form.* In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a "**VIF**"). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

*Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

### ***Voting by Non-Registered Holders at the Meeting***

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

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

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of June 30, 2020 (the "**Record Date**"), there were an aggregate of 130,649,950 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as set forth below:

<b>Name</b>	<b>Number of Common Shares</b>	<b>Percentage</b>
David Rowe	51,233,650	39.21%
Robert Keith	37,523,574	28.72%

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

Other than as otherwise disclosed in this Management Information Circular, no director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, 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.

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

To the knowledge of the board of directors of the Company (the "**Board**"), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

#### **1. PRESENTATION OF FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the year ended December 31, 2019 and the respective report of the auditors will be placed before the shareholders at the Meeting. No vote will be taken on the consolidated financial statements. The consolidated financial statements and additional information concerning the Company are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

## 2. ELECTION OF DIRECTORS

The size of the Board is currently set at four. Shareholders will be asked to approve an ordinary resolution that the number of directors elected be fixed at four. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA"), each director elected will hold office until the conclusion of the next annual general meeting of the shareholders of the Company, or if no director is then elected, until a successor is elected.

The directors of the Company determined that four directors will be nominated at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Each director elected at the Meeting will hold office until the next annual general meeting of the shareholders of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the notice of articles or articles of the Company or the provisions of the BCBCA.

The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors 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 as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
David Rowe <sup>(2)(5)(6)</sup> London, UK  Chief Executive Officer, Chairman and Director	Chairman of Black Green Capital, a Venture Capital investment company.	June 8, 2018	51,233,650	39.21%
Richard Patricio <sup>(3)(5)</sup> Ontario, Canada  Director	Chief Executive Officer and President of Mega Uranium Ltd., a uranium investment and development company.	June 8, 2018	978,500	0.75%
Richard Croft <sup>(6)</sup> London, UK  Director	Solicitor	June 8, 2018	2,287,871	1.75%
Michael Hudson <sup>(4)(5)(6)</sup> Ontario, Canada  Director	Professional Geologist. Chairman and CEO of Hannan Metals Ltd. and Mawson Resources Ltd.	June 8, 2018	1,741,667	1.33%

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Mr. Rowe replaced Ms. Anne Graf as Chief Executive Officer of the Company on September 23, 2019.
- (3) Mr. Patricio holds 18,500 Common Shares indirectly through JFP Corp. and 960,000 Common Shares indirectly through Totus Inc., corporations which he controls.
- (4) Mr. Hudson holds the 1,741,667 Common Shares indirectly through Elwood Partners Discretionary Trust.
- (5) Member of the Audit Committee.
- (6) Member of the Compensation and Nominating Committee.

**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 HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

### ***Corporate Cease Trade Orders or Bankruptcies***

No proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) 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 (collectively an "**Order**") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed 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.

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

### ***Personal Bankruptcies***

None of the directors of the Company have, within the 10 years before the date of this Management 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 such person.

### ***Penalties and Sanctions***

None of the directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **3. APPOINTMENT OF AUDITORS**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF DAVIDSON & COMPANY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Davidson & Company LLP, Chartered Professional Accountants, were first appointed as the auditors of the Company on October 29, 2019.

## **STATEMENT OF EXECUTIVE COMPENSATION**

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2019 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2019 (collectively the "**Named Executive Officers**") and for the directors of the Company.

### **Summary Compensation Table**

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
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 (\$)
David Rowe <sup>(2)</sup> Chief Executive Officer, Chairman and Director	2019	56,000	nil	nil	nil	nil	56,000
	2018	67,000	63,000	nil	1,000	nil	131,000
Anne Graf <sup>(2)</sup> Former Chief Executive Officer and Director	2019	170,000	nil	nil	3,000	nil	174,000
	2018	249,000	62,000	nil	5,000	nil	316,000
Alex Johnstone <sup>(3)</sup> Chief Financial Officer	2019	273,000	nil	nil	nil	nil	273,000
	2018	nil	nil	nil	nil	nil	nil
Juliet Pedrazas <sup>(3)</sup> Former Chief Financial Officer	2019	68,000	nil	nil	nil	nil	68,000
	2018	137,000	64,000	nil	1,000	nil	202,000
Richard Patricio Director	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
Richard Croft Director	2019	131,000	nil	nil	nil	nil	131,000
	2018	196,000	nil	nil	nil	nil	196,000
Michael Hudson Director	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses. This table includes compensation received by the Named Executive Officers as directors of the Company.
- (2) Mr. Rowe replaced Ms. Anne Graf as Chief Executive Officer of the Company on September 23, 2019.
- (3) Mr. Alex Johnstone replaced Ms. Juliet Pedrazas as Chief Financial Officer of the Company on June 1, 2019.

### Stock Options and Other Compensation Securities

The following table provides a summary of all compensation securities granted or issued to each Named Executive Officer and to each director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and % of class <sup>(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
David Rowe Chief Executive Officer	stock options	1,200,000 exercisable for 1,200,000 Common Shares representing 0.92% of the outstanding number of Common Shares	November 18, 2019	\$0.21	\$0.19	\$0.18	November 18, 2022
Alex Johnstone Chief Financial Officer	stock options	600,000 exercisable for 600,000 Common Shares representing 0.46% of the outstanding number of Common Shares	January 9, 2019	\$0.38	\$0.38	\$0.18	January 9, 2022

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and % of class <sup>(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
		600,000 exercisable for 600,000 Common Shares representing 0.46% of the outstanding number of Common Shares	May 15, 2019	\$0.45	\$0.45	\$0.18	May 15, 2022
		300,000 exercisable for 300,000 Common Shares representing 0.23% of the outstanding number of Common Shares	November 18, 2019	\$0.21	\$0.19	\$0.18	November 18, 2022
Richard Patricio Director	stock options	150,000 exercisable for 150,000 Common Shares representing 0.11% of the outstanding number of Common Shares	November 18, 2019	\$0.21	\$0.19	\$0.18	November 18, 2022
Michael Hudson Director	stock options	150,000 exercisable for 150,000 Common Shares representing 0.11% of the outstanding number of Common Shares	November 18, 2019	\$0.21	\$0.19	\$0.18	November 18, 2022
Richard Croft Director	stock options	150,000 exercisable for 150,000 Common Shares representing 0.11% of the outstanding number of Common Shares	November 18, 2019	\$0.21	\$0.19	\$0.18	November 18, 2022

Notes:

(1) The fair value of each stock option at the date of grant was estimated using the Black-Scholes option pricing model to be consistent with the audited consolidated financial statements and included the following assumptions: share price \$0.21 to \$0.45 (market price at decision time), dividend yield 0%, expected volatility 42% (based on the historical price history of the Common Shares), risk-free interest rate of 2.00%, and an expected life of 2.0 years.

(2) Calculated on a partially diluted basis as at December 31, 2019. As at December 31, 2019, there were 130,649,950 Common Shares outstanding.

As at December 31, 2019, the Named Executive Officers and directors of the Company held compensation securities as set out in the table below.

COMPENSATION SECURITIES HELD BY DIRECTORS AND NAMED EXECUTIVES OFFICERS			
Name and position	Type of compensation security	Number of compensation securities	Number of underlying securities exercised or exchanged
David Rowe Chief Executive Officer, Chairman and Director	stock options	1,800,000	1,800,000 Common Shares
Alex Johnstone Chief Financial Officer	stock options	1,500,000	1,500,000 Common Shares



<b>COMPENSATION SECURITIES HELD BY DIRECTORS AND NAMED EXECUTIVES OFFICERS</b>			
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities</b>	<b>Number of underlying securities exercised or exchanged</b>
Richard Patricio Director	stock options	450,000	450,000 Common Shares
Richard Croft Director	stock options	450,000	450,000 Common Shares
Michael Hudson Director	stock options	450,000	450,000 Common Shares

None of the Named Executive Officers or the directors of the Company exercised any compensation securities during the most recently completed financial year of the Company.

### **Stock Option Plan and other Incentive Plans**

The Company has in place a stock option plan (the "**Stock Option Plan**") which was last approved by the shareholders of the Company at the annual general and special meeting of the shareholders held on April 27, 2018.

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan. The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Stock options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board.

The number of Common Shares which may be reserved for issue under the Stock Option Plan is limited to 10% of the issued and outstanding number of Common Shares as at the date of the grant of stock options. As at the date hereof, 13,064,995 stock options may be reserved for issue pursuant to the Stock Option Plan, 10,625,000 stock options have been issued and 2,439,995 stock options are still available for issue.

Any Common Shares subject to a stock option which is exercised, or for any reason is cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan. The exercise price of any stock option cannot be less than the market price of the Common Shares at the time of grant. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding 10 years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The stock options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval and regulatory approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of stock options granted under the Stock Option Plan.

The Company has no equity compensation plans other than the Stock Option Plan.

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

In the financial year ended December 31, 2019 the Company had in place the following employment, consulting and management agreements:

### ***Croft Agreement***

Megamining Limited, a wholly owned subsidiary of Hydro66 UK and an indirect wholly owned subsidiary of the Company and Croft Legal Services Limited, a legal practice owned and controlled by Richard Croft entered into a secondment agreement (the "**Croft Agreement**") effective September 15, 2014 to provide legal services to Megamining Limited. The Croft Agreement provides that Mr. Croft receives a fee of £5,000 per month.

### ***Rowe Agreement***

Megamining Limited, a wholly owned subsidiary of Hydro66 UK and an indirect wholly owned subsidiary of the Company and David Rowe entered into a letter of appointment (the "**Rowe Agreement**") effective 17 January, 2014 for his position as chairman of Megamining Limited. The Rowe Agreement provides that Mr. Rowe receives a fee of £2,083 per month (which, as of July 2018, was increased to £7,083 per month). Since October 2018 and as of the date of this Management Information Circular, Mr. Rowe has waived this fee.

Since December 31, 2019, the Company did not enter into any employment, consulting and management agreements.

There are no employment agreements in place with any of the directors of the Company.

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

### ***Compensation of Directors***

The Board, at the recommendation of the Compensation and Nominating Committee, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

### ***Compensation of Named Executive Officers***

#### *Principles of Executive Compensation*

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board approves, or recommends for approval, all compensation to be awarded to the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board may direct the Compensation and Nominating Committee and management to gather information on its behalf and provide initial analysis and

commentary. The Board reviews this material along with other information received from any external advisors which may be retained in its deliberations before considering or making decisions. The Board has full discretion to adopt or alter management or Compensation and Nominating Committee recommendations. The Board also reviews and approves the hiring of executive officers.

#### Base Salary

The Board, at the recommendation of the Compensation and Nominating Committee, approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

#### Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

#### Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

#### Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

#### **Pension Disclosure**

The Company has in place a defined contribution pension plan (the "**Pension Plan**") for the Named Executive Officers, the directors and for the benefit of its employees. The amount charged to the profit and loss account is the contribution payable by the Company in the year. Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

The table below provides information for payments in connection with the retirement for the directors and NEO's for the year ended December 31, 2019:

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at year end (\$)
Alex Johnstone	nil	nil	nil
David Rowe	nil	558	558

Note: Using a Canadian dollar to British Pound exchange rate as of December 31, 2019 of 0.5823.

In accordance with the Pension Plan, certain NEO's and employees receive a contribution equal to: (i) 3% in the United Kingdom; and (ii) 10% in Sweden, of the salary paid.

### Termination and Change of Control Benefits

Compensation plans with Named Executive Officers and directors resulting from the termination of employment of such Named Executive Officer or a change of control of the Company are described under "Employment, Consulting and Management Agreements" and in "Pension Plan Disclosure".

Other than as otherwise disclosed in this Management Information Circular, the Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates.

### SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of December 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issue under equity compensation plans (#)
Equity compensation plans <sup>(1)</sup> approved by securityholders	10,625,000	\$0.40	2,439,995
Equity compensation plans not approved by securityholders	—	—	—
<b>Total</b>	10,625,000	\$0.40	2,439,995

Notes:

(1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of the stock option grant. As at the date of this Management Information Circular, 13,064,995 stock options are authorized for issue under the Stock Option Plan, 10,625,000 stock options are outstanding and an additional 2,439,995 Common Shares are reserved for issue and remain available for future issue.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed in this Management Information Circular, no director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the most recently completed financial year of the Company or in any proposed transaction that has materially affected or will materially affect the Company.

On December 19, 2018, the Company entered into a secured convertible loan agreement with certain shareholders and directors of the Company (the "**Loan Agreement**"), including David Rowe and Robert Keith, who are both significant shareholders of the Company. The maximum amount of the loan is C\$4,000,000 (the "**2018 Loan**") in the aggregate with the initial advance of C\$1,706,895 paid in December 2018 (using a Bank of Canada exchange rate on December 17, 2018 for conversion of amounts advanced in USD to Canadian dollars) (the "**Initial Advance**").

The 2018 Loan is evidenced by secured convertible promissory notes in favour of each lender for each advance under the Loan (the "Notes"). The maturity date of the principal amount, interest and any fees of the 2018 Loans is seven (7) years from the date of the Initial Advance and the rate of interest is 10% per annum. The interest for the initial two (2) years of the 2018 Loan is not payable until the 2018 Loan is repaid in full.

The 2018 Loans are secured by a general security interest over all of the assets of the Company, and through a guarantee of the Company's operating subsidiary in Sweden. Under the general security agreement, the Company agrees, among other things, to not pledge, sell, lease or otherwise dispose of its assets, other than in the normal course, without prior written consent of the Note holders.

As at December 31, 2019, the interest accrued on the 2018 Loan was \$249,898.

On March 31, 2020, the Company entered into a secured convertible loan agreement with David Rowe, a significant shareholder and a director of the Company, and with Robert Keith, a significant shareholder of the Company (the "Loan Agreement"). The maximum amount of the loan is USD\$1,000,000 (the "2020 Loan") in the aggregate with the initial advance of USD\$300,000 paid in April 2020 (using a Bank of Canada exchange rate on March 27, 2020 for conversion of amounts advanced in USD to Canadian dollars) (the "Initial Advance").

The 2020 Loan is evidenced by second ranking secured convertible promissory notes in favour of each lender for each advance under the 2020 Loan (the "Notes"). The maturity date of the principal amount, interest and any fees of the 2020 Loan is seven (7) years from the date of the Initial Advance and the rate of interest is 10% per annum. The interest for the initial two (2) years of the 2020 Loan is not payable until the Loan is repaid in full.

The 2020 Loans are secured by a general security interest, ranking second to the 2018 Loan, over all of the assets of the Company, and through a guarantee of the Company's operating subsidiary in Sweden. Under the general security agreement, the Company agrees, among other things, to not pledge, sell, lease or otherwise dispose of its assets, other than in the normal course, without prior written consent of the Note holders.

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The following table (presented in accordance with Form 51-102F5) sets out the aggregate indebtedness of all directors, executive officers, employees and former directors, executive officers and employees of the Company and its subsidiaries outstanding as at June 3, 2020:

AGGREGATE INDEBTEDNESS (\$)		
Purpose	To the Company or its Subsidiaries	To Another Entity
Share purchases	—	—
Other	\$35,426	—

*Note: Using a British Pound to Canadian dollar exchange rate as of June 28, 2019 of 0.6015, being the date of repayment of £10,000.*

Other than as set forth in the table below, no director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company:

Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During Most Recently Completed Financial Year (\$)	Amount Outstanding as at June 3, 2020 (\$)	Financially Assisted Securities Purchases During Most Recently Completed Financial Year (#)	Security for Indebtedness	Amount Forgiven During Most Recently Completed Financial Year (\$)
Juliet Pedrazas Chief Financial Officer	Lender	\$35,426	\$35,426	—	—	—

Notes:

- (1) *Such funds were advanced to Ms. Pedrazas for the sole purpose of satisfying her personal income tax liabilities arising from the exercise of her share options related to Hydro66 UK Limited, a wholly-owned subsidiary of the Company. Such amount is a non-interest bearing loan to be repaid on the date that is the earlier of: (i) the sale of any of her shares in the Company (the "Shares"); (ii) the transfer of any of her Shares below market value; (iii) receipt of dividends or distribution relating to the Shares; (iv) her resignation as an employee of Megamining Limited, a subsidiary of the Company; (v) bankruptcy proceedings of Ms. Pedrazas or in the event of Ms. Pedrazas' inability to pay her debts as they become due; or (vi) the death of Ms. Pedrazas' death. There have been no adjustments to the terms of such indebtedness during the Company's most recently completed financial year.*

## **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

National Instrument 52-110 – *Audit Committees ("NI 52-110")* requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual general meeting of the shareholders of the Company. The Company is a "venture issuer" for the purposes of NI 52-110.

### **Audit Committee Charter**

The full text of the charter of the Company's Audit Committee is attached hereto as appendix A (the "**Audit Committee Charter**").

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

The Audit Committee members are currently Michael Hudson (Chair), Richard Patricio and David Rowe, each of whom is a director and financially literate. Messrs. Hudson and Patricio are each independent in accordance with NI 52-110.

### **Relevant Education and Experience**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its consolidated financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating consolidated 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 Company's consolidated financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

**Michael Hudson, Director** – During the last 30 years Mr Hudson has developed and financed mineral exploration properties. He graduated from the University of Melbourne in 1990 with a B.Sc. (Hons 1st) in Geology. He is a Fellow of the Australasian Institute of Mining and Metallurgy and Member of both the Society for Economic Geologists and Australian Institute of Geoscientists. He holds a Graduate Diploma of Applied Finance and Investment through the Financial Services Institute of Australia (FINSIA), obtained in 2005. In 2004 Mr. Hudson founded and has subsequently headed Mawson Resources Ltd. (TSX:MAW), a gold exploration company Finland as Chairman & chief executive officer. Mr. Hudson is also a founder and director of Hannan Metals Ltd (TSXv:HAN), a zinc and copper exploration company in Ireland and Peru.

**Richard Patricio, Director** – Mr. Patricio is the CEO and President of Mega Uranium Ltd., a uranium investment and development company. Previously he held roles at Pinetree Capital Ltd. and Osler LLP in Toronto. Mr. Patricio has built a number of companies, primarily in the mining and investment sectors, with global operations. He received his law degree from Osgoode Hall and was called to the Ontario Bar in 2000.

**David Rowe, Chief Executive Officer, Chairman and Director** – Mr. Rowe has several years experience as CEO of a UK listed company.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions in NI 52-110**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Company is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) 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 in the Audit Committee Charter.

### **Audit Fees**

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2019 and December 31, 2018:

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended December 31, 2019	\$234,156	\$13,774	\$8,264	\$19,283
Year ended December 31, 2018	\$171,808	\$71,454	-	\$39,652

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly consolidated financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

## REPORT ON CORPORATE GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

### Board of Directors

The Board is currently composed of four directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed nominees, Anne Graf and David Rowe, the Chief Executive Officer and the Chairman, respectively, of the Company are considered not to be "independent". The remaining three proposed directors are considered by the Board to be "independent" within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.



## Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuers
Richard Patricio	Toro Energy Limited, Latin American Minerals Inc., NexGen Energy Ltd. and ISOEnergy Inc.
Michael Hudson	Hannan Metals Ltd. and Mawson Resources Ltd

## Board Committees

The Board has constituted two committees. The following directors are the current members of the following committees:

- *Audit Committee:* Michael Hudson (Chair), Richard Patricio and David Rowe.
- *Compensation and Nominating Committee:* David Rowe (Chair), Michael Hudson and Richard Croft.

Members of these committees are appointed annually to hold office until the next annual general meeting of the shareholders of the Company or until their successors are appointed.

### Audit Committee

The Audit Committee is composed of three directors as named above, of which each of Messrs. Hudson and Patricio are "independent". The operation of the Audit Committee is described in the section entitled "*Audit Committee Information Required in The Information Circular of a Venture Issuer*" in this Management Information Circular.

### Compensation and Nominating Committee

The Compensation and Nominating Committee is composed of David Rowe (Chair), Michael Hudson and Richard Croft, of which each of Messrs. Hudson and Croft are "independent". The Compensation and Nominating Committee is responsible for: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the chief executive officer of the Company, evaluating the performance of the chief executive officer of the Company in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to the compensation level of the chief executive officer of the Company based on this evaluation); (ii) making recommendations to the Board with respect to other officers and directors compensation and incentive-compensation plans; and, (iii) reviewing the executive compensation disclosure before the Company publicly discloses this information.

## Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business. New Board members are provided with information regarding the functioning of the Board and its committees and full access to management. New Board members are encouraged to, (i) communicate with management, auditors and technical consultants, (ii) keep themselves current with industry trends and developments and changes in legislation with management's assistance, (iii) attend industry related seminars and (iv) visit the Company's operations.

### **Ethical Business Conduct**

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

### **Nomination of Directors**

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

### **Other Board Committees**

The Board currently does not have any standing committees other than as set in the section entitled "*Board Committees*" above.

### **Assessments**

Currently the Board has not implemented a formal process for assessing directors.

## **OTHER MATTERS**

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at its office by mail at the address set out below to request copies of: (i) this Management Information Circular; and (ii) the Company's consolidated financial statements and the related Management's Discussion and Analysis (the "**MD&A**") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's consolidated financial statements and MD&A for the financial year of the Company ended December 31, 2019.

## **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Management Information Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

**DATED** at Toronto, Ontario, on the 3<sup>rd</sup> day of July, 2020.

### **BY ORDER OF THE BOARD**

*"David Rowe" (signed)*  
Chief Executive Officer and Director

## APPENDIX A

### HYDRO66 HOLDINGS CORP.

#### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### 1. AUDIT COMMITTEE MANDATE

The Audit Committee (the "Committee") will assist the Board of Directors (the "Board") of Hydro66 Holdings Corp. (the "Company") in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct as more fully described below. In performing its duties, the Committee will maintain effective working relationships with the Board of directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company's business, operations and risks.

##### 2. COMMITTEE ORGANIZATION

###### 2.1 *Composition & Independence*

The Committee will be comprised of **three (3)** or more directors as determined by the Board, initially one of whom shall satisfy the "independence" requirement of the applicable securities regulatory requirements.

###### 2.2 *Financial Training & Financial Expert*

Each member will be "financially literate" as defined in the applicable securities regulatory requirements or shall become financially literate within a reasonable period of time after his or her appointment to the Committee. Each member will have an understanding of the accounting principles used by the Company to prepare its financial statements and, in addition, will have at least one member who will be engaged in the active supervision of the persons engaged in the preparation, audit, analysis or evaluation of certain types of financial statements (the "financial expert").

###### 2.3 *Financial Expert Duties*

The designation or identification of a member as Committee financial expert shall not impose on such member any duties, obligations or liabilities that are greater than the duties, obligations and liabilities imposed on any other member of the Committee or Board.

###### 2.4 *Annual Appointment and Chairman Appointment*

The Board will appoint annually, at the organizational meeting of the full board on the recommendation of the Nominating / Corporate Governance Committee, if any, the members of the Committee. The Board will appoint one member of the Committee as the chair of the Committee.

###### 2.5 *Removal & Compensation*

A Committee member shall be automatically removed without further action of the Board if the member ceases to be a director of the Company or is found by the Board to no longer be an independent director as required by this Charter. Committee members may be otherwise removed or replaced by a vote of the Board upon recommendation of the Nominating / Corporate Governance Committee once such committees have been established. No member serving on the Committee shall receive directly or indirectly, any compensation, advisory or other compensation fee from the Company or an affiliate of the Company other than director fees for service as a director.

### **3. MEETINGS**

#### **3.1 *Quarterly Meetings***

The Committee is to meet at least four (4) times annually and as many additional times as the Committee deems necessary. Committee members will endeavor to be present at all meetings either in person or by telephone. As necessary or desirable, but in any case at least quarterly, the Committee shall meet with members of management and, if required external auditors, to discuss the financial reporting and any matter that the Committee or management deems necessary.

#### **3.2 *Chairman Duties***

The Chairman in consultation with other members of the Committee, the Company's independent auditors and the appropriate officers of the Company, will be responsible for calling meetings of the Committee, establishing the agenda and supervising the conduct of the meeting. The Committee may also take any action permitted hereunder by unanimous written consent.

#### **3.3 *Third Party Attendees at Meetings***

The Committee may request any officer or employee of the Company or the Company's outside legal counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consult to, the Committee.

#### **3.4 *Quorum & Majority Voting***

Except as otherwise provided by this Charter or applicable laws or regulations, as amended from time to time:

- (a) A majority of the members of the Committee meeting, either present in person or by means of remote communication, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the Committee, and
- (b) All actions of the Committee shall be by affirmative vote of a majority of those members so determined to be present or represented by proxy.

### **4. AUTHORITY**

#### **4.1 *Authority to Investigate & Require Disclosure***

Subject to the prior approval of the Board, the Committee is granted the authority to investigate and require such information and explanation from management, as it considers reasonably necessary, any matter or activity involving financial accounting, financial reporting, financial risk, and the internal controls of the Company. In addition, the Committee has the authority to require management to promptly inform the Committee and the external auditor of any material misstatement or error in the financial statements following the discovery of such instance.

#### **4.2 *Authority to Engage Outside Advisers***

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

#### **4.3 *Authority Over Company Auditors***

In recognition of the fact that the independent auditors are ultimately accountable to the Committee, the Committee shall have the authority and responsibility to nominate for shareholder approval, evaluate, and where appropriate, replace the independent auditors and shall approve all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Committee shall consult with management but shall not delegate these responsibilities.

## **5. ANNUAL PERFORMANCE EVALUATION**

The Committee will conduct and review with the Board annually an evaluation of the Committee's performance with respect to the requirements of the Charter. The evaluation should set forth the goals and objectives of the Committee for the upcoming year.

## **6. SPECIFIC DUTIES**

In carrying out its oversight responsibilities, the Committee will:

- (a) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- (b) Review with the Company's management and, as necessary, its external auditors and recommend to the Board the Company's quarterly and annual financial statements and management discussion and analysis that is to be provided to shareholders, stakeholders and the appropriate regulatory authorities, including any financial statement contained in a prospectus, information circular, registration statement or other similar document.
- (c) Review the Company's management annual and interim earnings press release before any public disclosure.
- (d) Recommend to the Board the external auditors to be nominated for the purposes of preparing or issuing an audit report or performing other audit's review or attest services and the compensation to be paid to the external auditors. The external auditors shall report directly to the Committee.
- (e) The Committee will annually review the qualifications, expertise and resources and the overall performance of external auditor and, if necessary, recommend to the Board the termination of the external auditor (and its affiliates), in accordance with the applicable securities laws.
- (f) Review with management the scope and general extent of the external auditors' annual audit. The Committee's review should include an explanation from the external auditors of the factors considered in determining the audit scope, including major risk factors. The external auditors should confirm to the Committee whether or not any limitations have been placed upon the scope or nature of their audit procedures.
- (g) Be directly responsible for the oversight of the work of the external auditors, including the resolution of disagreements between management of the Company and the external auditors.
- (h) Review with the Company's management and external auditors the Company's accounting and financial reporting controls. Obtain annually in writing from the external auditors their observations, if any, on significant weaknesses in internal controls as noted in the course of the auditor's work.
- (i) Evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company and ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.
- (j) The Committee is to meet at least once annually, with the independent auditors, separately, without any management representatives present for the purpose of oversight of accounting and financial practices and procedures.
- (k) Review with the Company's management and external auditors significant accounting and reporting principles, practices and procedures applied by the Company in preparing its financial statements. Discuss with the external auditors their judgment about the quality of the accounting principles used in financial reporting.
- (l) Inquire as to the independence of the external auditors and obtain from the external auditors, at least annually, a formal written statement delineating all relationships between the Company and the external auditors and the compensation paid to the external auditors.
- (m) At the completion of the annual audit, review with management and the external auditors the following:
  - i. The annual financial statements and related notes and financial information to be included in the Company's annual report to shareholders.

- ii. Results of the audit of the financial statements and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application.
  - iii. Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit. Inquire about the cooperation received by the external auditors during the audit, including all requested records, data and information.
  - iv. Inquire of the external auditors whether there have been any material disagreements with management, which, if not satisfactorily resolved, would cause them to issue a not standard report on the Company's financial statements.
- (n) Meet with management, to discuss any relevant significant recommendations that the external auditors may have, particularly those characterized as "material" or "serious". Typically, such recommendations will be presented by the external auditors in the form of a Letter of Comments and Recommendations to the Committee. The Committee should review responses of management to the Letter of Comments and Recommendations from external auditors and receive follow-up reports on action taken concerning the aforementioned recommendations.
  - (o) Have the sole authority to review in advance, and grant any appropriate pre-approvals, of all non-audit services to be provided by the independent auditors and, in connection therewith, to approve all fees and other terms of engagement. The Committee shall also review and approve disclosures required to be included in periodic reports filed with securities regulators with respect to non-audit services performed by external auditors.
  - (p) Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, and periodically assess the adequacy of those procedures.
  - (q) Review and approve the Company's hiring of partners, employees and former partners and employees of the present and past auditors.
  - (r) Review with management and the external auditors the methods used to establish and monitor the Company's policies with respect to unethical or illegal activities by the Company employees that may have a material impact in the financial statements.
  - (s) The Committee will conduct an appropriate review of all proposed related party transactions to identify potential conflict of interest and disclosure situations. The Committee shall submit the related party transaction to the Board of Directors for approval by a majority of independent directors, excluding any director who is the subject of a related transaction, and implementation of appropriate action to protect the Company from potential conflicts of interest.
  - (t) The Committee will, if required, prepare a report for the inclusion on the Company's proxy statement for its annual meeting of stockholders describing the Committee's structure, its members and their experience and education. The report will address all issues then required by the rules of the regulatory authorities.

## **7. COMPLAINT PROCEDURES**

The Committee shall establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (b) the confidentiality, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensuring that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) the review of policies and procedures in effect for considering officers' expenses and perquisites; and
- (e) the performance of other oversight functions as requested by the Board. The Committee must periodically review such procedures to ensure they are effective and ensure compliance by the Company with such procedures.

**8. LIMITATIONS ON COMMITTEE'S DUTIES**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibility of management and the independent auditor. Nor is it the duty of the Committee to assure compliance with the laws and regulations.