

CANADIAN METALS INC.



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JULY 27, 2021

- and -

MANAGEMENT INFORMATION CIRCULAR

JUNE 22, 2021



June 22, 2021

To the Shareholders of Canadian Metals Inc.,

It is my pleasure to extend to you, on behalf of the board of directors of Canadian Metals Inc. (the “**Company**”), an invitation to attend the annual general and special meeting (the “**Meeting**”) of the holders of common shares (the “**Common Shares**”) of the Company (the “**Shareholders**”) to be held virtually by live audio webcast on July 27, 2021 at 11:00 a.m. (Montréal time).

The annual meeting portion will address our customary annual meeting matters. The special meeting portion is for Shareholders to consider and to vote upon: (i) the proposed acquisition (the “**Acquisition**”) by the Company of all of the issued and outstanding common shares of Targets Minerals Inc. (“**TM**”), which has a 100% interest in the Nicholas-Denys and Oxford Brook projects located in New Brunswick, pursuant to a binding letter of intent dated March 30, 2021 between the Company and TM; and (ii) the proposed statutory plan of arrangement of the Company which involves, among other things, the transfer of certain assets and liabilities including the Company’s Lac La Chesnaye project to QNB Metals Inc. (“**Spinco**”) in exchange for common shares of Spinco (the “**Arrangement**”).

The Nicholas-Denys project, located near Bathurst, comprises 564 units held in 15 contiguous mineral claims encompassing 12,270 Ha (122.7 km²), and is divided in four named areas: Ann’s Creek, Beresford, Millstream and Goldstrike. The Oxford Brook project, located near St-Quentin, comprises 169 units held in two contiguous mineral claims encompassing 3,380 Ha (33.8 km²). TM is a “related party” of the Company as certain shareholders, officers and directors of the Company are also shareholders and directors of TM.

The Lac La Chesnaye property is located 11km north of Baie-Comeau, in the province of Québec, Canada. The property covers a total area of 448 Ha and comprises of 8 claims that are in the process of being granted and one claim that was previously acquired from SiO2 Canada Ltd. These claims are 100% held by the Company.

The Arrangement involves, among other things, the transfer by the Company of the Company’s Lac La Chesnaye property to Spinco in exchange for an aggregate of 4,300,000 Class A common shares of Spinco (the “**Spinco Shares**”), a reorganization of the Company’s share capital and a distribution of the Spinco Shares to Shareholders such that each Shareholder will receive one new common share in the capital of the Company (each, a “**New Common Share**”) and approximately 0.0622 Spinco Shares in exchange for each Common Share held by the Shareholder at the effective time of the Arrangement.

Upon completion of the Arrangement, Spinco will own the Lac La Chesnaye property, plus funds from a concurrent financing to be completed by Spinco for minimum gross proceeds of \$500,000 and maximum gross proceeds of \$1,500,000. Detailed information regarding the Arrangement is contained in the attached Notice of Meeting and management information circular of the Company for the Meeting (the “**Information Circular**”).

For the resolution approving the Acquisition to become effective, it must receive the affirmative vote of at least a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting, excluding votes attached to any common shares held or controlled by interested Shareholders.

For the resolution approving the Arrangement to become effective, it must receive the affirmative vote of at least a two-thirds majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting. Completion of the Arrangement is also subject to receipt of certain required regulatory approvals, including the approval of the Superior Court of Québec.

The board of directors of the Company has unanimously determined that the Acquisition, the Arrangement and all transactions contemplated thereunder, respectively, are in the best interests of the Company and recommends that Shareholders vote FOR each of the Acquisition resolution and the Arrangement resolution. Accompanying this letter, among other things, are a notice of meeting, a form of proxy and the Information Circular containing important information relating to the Acquisition and the Arrangement.

You are urged to read the Information Circular carefully and in its entirety. If you are in doubt as to how to deal with the matter described in these materials, you should consult your professional advisors.

Shareholders will not be able to attend the Meeting in person. All persons registered as Shareholders in the records of the Company as of the Company's Record Date (as defined in the Information Circular), and their duly appointed proxyholders are entitled to receive notice of the Meeting and to attend, participate and vote at the Meeting online. If you are unable to attend the Meeting online, you may complete and return the enclosed form of proxy following the instructions therein.

While it is the Company's intention to resume holding in-person meetings under normal circumstances, the Meeting will be a completely virtual meeting of Shareholders via webcast in order to deal with the impact of the COVID-19 pandemic and to mitigate risks to the health and safety of the Company's community, shareholders, employees and other stakeholders. Shareholders will not be able to attend the Meeting in person. Instead, registered Shareholders and duly appointed proxyholders will be able to virtually attend, participate and vote at the virtual Meeting on the date and time of the Meeting (being July 27, 2021 at 11:00 a.m. (Montréal time)) by accessing the meeting at: <https://web.lumiagn.com/> (Meeting ID: 225713467; Meeting password: cmi2021).

To ensure a smooth process, the Company is asking registered participants to log in by 10:45 a.m. (Montréal time) on July 27, 2021.

On behalf of the Company, we would like to thank all Shareholders for their ongoing support.

Yours truly,

"Stéphane Leblanc"

Stéphane Leblanc

President and Chief Executive Officer



CANADIAN METALS INC.
866 3rd Avenue
Val d'Or, Québec Canada J9P 1T1
Tel: 514-375-5172

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Canadian Metals Inc. (the “**Company**”) will be held virtually on July 27, 2021 at 11:00 a.m. (Montréal time) via live audio webcast online at <https://web.lumiagn.com/> (Meeting ID: 225713467; Meeting password: cmi2021), for the following purposes:

1. to receive the audited annual financial statements of the Company for the year ended July 31, 2020, together with the report of the auditor thereon, and the related management’s discussion and analysis;
2. to elect directors of the Company for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP, Partnership of Chartered Professional Accountants as auditors of the Company for the ensuing year and to authorize the directors to fix the auditors’ remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, a resolution (the “**Acquisition Resolution**”) to approve the Company’s acquisition of all of the issued and outstanding common shares of Targets Minerals Inc., on the terms and conditions set forth in the letter of intent dated March 30, 2021, and as more particularly described in the accompanying management information circular (the “**Information Circular**”);
5. to consider, pursuant to an interim order of the Superior Court of Québec (commercial division) in the district of Québec dated June 22, 2021 (the “**Interim Order**”) and, if thought advisable, to pass, with or without amendment, a special resolution (the “**Arrangement Resolution**”), the full text of which is set forth in Schedule “C” to the accompanying Information Circular, to approve a plan of arrangement (the “**Arrangement**”) under Chapter XVI – Division II of the *Business Corporations Act* (Québec) whereby, among other things, the Company will transfer certain assets and liabilities of the Company to QNB Metals Inc., all as more particularly described in the Information Circular;
6. to adopt the stock option plan of QNB Metals Inc.; and
7. to transact such further or other business, including amendments to the foregoing, as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice is an Information Circular dated June 22, 2021, a form of proxy or voting instruction form and a reply card for use by Shareholders who wish to receive the Company’s interim and/or annual financial statements. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Each Common Share entitled to be voted at the Meeting will entitle the holder thereof to one vote at the Meeting in respect of each item of business. The Acquisition Resolution must be approved, with or without variation, by an affirmative vote of at least a simple majority of the votes cast by disinterested Shareholders voting in person or by proxy at the Meeting for the purposes of “minority approval” under Multilateral Instrument 61-101 – *Protection of*

Minority Security Holders in Special Transactions (“MI 61-101”) as the Acquisition will constitute a “related party transaction” under MI 61-101. The Arrangement Resolution must be approved, with or without variation, by an affirmative vote of at least a two-thirds majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting. Completion of the Arrangement is also subject to receipt of certain required regulatory approvals, including the approval of the Superior Court of Québec.

NOTICE OF CAUTION Concerning COVID-19 Outbreak

Shareholders will not be able to attend the Meeting in person. All persons registered as Shareholders in the records of the Company as of the Company’s Record Date (as defined in the Information Circular) and their duly appointed proxyholders are entitled to receive notice of the Meeting and to attend, participate and vote at the Meeting online. If you are unable to attend the Meeting online, you may complete and return the enclosed form of proxy following the instructions therein.

While it is the Company's intention to resume holding in-person meetings under normal circumstances, the Meeting will be a completely virtual meeting of Shareholders via webcast in order to deal with the impact of the COVID-19 pandemic and to mitigate risks to the health and safety of the Company’s community, shareholders, employees and other stakeholders. Shareholders will not be able to attend the Meeting in person. Instead, registered Shareholders and duly appointed proxyholders will be able to virtually attend, participate and vote at the virtual Meeting on the date and time of the Meeting (being July 27, 2021 at 11:00 a.m. (Montréal time)) by accessing the Meeting as follows:

1. Instructions for attending the Meeting online : <https://web.lumiagn.com/>
 - Meeting ID: 225713467
 - Meeting Password: cmi2021
2. Registered Shareholders: the 15-digit control number located on the form of proxy or in the e-mail notification you received is the username and the password is (Circular).
3. Duly appointed proxyholders: Computershare Investor Services Inc. will provide the proxyholder with a username after the voting deadline has passed. The password to the Meetings is (Circular).
4. Website address for appointee: <http://www.computershare.com/CanadianMetals>
5. Provide Computershare Investor Services Inc. with their proxyholder’s contact information by 11:00 a.m. (EST) on July 23, 2021.

To ensure a smooth process, the Company is asking registered participants to log in by 10:45 a.m. (Montréal time) on July 27, 2021.

DATED at Montréal, Québec, this 22nd day of June, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

“Stéphane Leblanc”

Stéphane Leblanc

President and Chief Executive Officer

TABLE OF CONTENTS

GENERAL PROXY INFORMATION	8
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON	11
RECORD DATE AND QUORUM	11
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES	11
PARTICULARS OF MATTERS TO BE ACTED UPON	11
Presentation of Financial Statements	12
Election of Directors	12
Appointment of Auditor	15
Acquisition of Targets Minerals Inc.	15
The Arrangement	16
Approval of Stock Option Plan of QNB Metals Inc.	16
CORPORATE GOVERNANCE	18
COMPENSATION OF EXECUTIVE OFFICERS	18
COMPENSATION DISCUSSION AND ANALYSIS	18
STATEMENT OF EXECUTIVE COMPENSATION	21
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	26
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	26
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	26
MANAGEMENT CONTRACTS	26
AUDIT COMMITTEE	26
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	28
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	30
INFORMATION CONCERNING THE ACQUISITION	30
Summary of the Acquisition	30
Background to the Acquisition	31
Reasons for the Acquisition	31
Share Purchase Agreement	32
Description of the Property	35
Risk Factors	76
THE ARRANGEMENT	77
Background to the Arrangement	77
The Arrangement	77
Principal Steps of the Arrangement	78
Treatment of Warrants	79
Recommendation of the Board	80
Reasons for the Arrangement	80
Approval of the Arrangement Resolution	81
The Arrangement Agreement	81

Completion of the Arrangement	82
Procedure for the Distribution of Certificates	82
Effects of the Arrangement on Shareholders' Rights	82
Court Approval of the Arrangement	83
Regulatory Approvals	84
Regulatory Law Matters and Securities Law Matters	84
Fees and Expenses.....	86
Interests of Certain Persons in the Arrangement	86
Risks Associated with the Arrangement.....	86
Repurchase Rights.....	88
INFORMATION CONCERNING SPINCO	88
CERTAIN REGULATORY AND OTHER MATTERS RELATING TO THE ACQUISITION	88
MI 61-101	88
NOTE TO UNITED STATES SECURITYHOLDERS	92
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	95
Residents of Canada.....	96
Non-Residents of Canada.....	99
OTHER BUSINESS	101
ADDITIONAL INFORMATION.....	102
DIRECTORS' APPROVAL.....	102

SCHEDULE "A" CHARTER OF THE AUDIT COMMITTEE

SCHEDULE "B" CORPORATE GOVERNANCE

SCHEDULE "C" ARRANGEMENT RESOLUTION

SCHEDULE "D" PLAN OF ARRANGEMENT

SCHEDULE "E" COURT MATERIALS

SCHEDULE "F" INFORMATION CONCERNING SPINCO

SCHEDULE "G" AUDITED CARVE-OUT FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2020 AND 2019 AND THE NINE-MONTH PERIOD ENDED APRIL 30, 2021 (SPINCO PROPERTY)

SCHEDULE "H" AUDITED FINANCIAL STATEMENTS OF SPINCO FOR THE PERIOD FROM INCORPORATION ON OCTOBER 19, 2020 TO APRIL 30, 2021

SCHEDULE "I" UNAUDITED PRO FORMA FINANCIAL STATEMENTS OF SPINCO

CANADIAN METALS INC.
866 3rd Avenue
Val d'Or, Québec Canada J9P 1T1
Tel: 514-375-5172

MANAGEMENT INFORMATION CIRCULAR
as at June 22, 2021

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by management of Canadian Metals Inc. for use at the annual general and special meeting (the “Meeting”) of shareholders of Canadian Metals Inc. to be held on July 27, 2021 and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual General and Special Meeting (the “Notice of Meeting”). Except where otherwise indicated, the information contained herein is stated as of June 22, 2021.

In this Information Circular, references to the “Company” or “CME”, “we” and “our” refer to Canadian Metals Inc. “Common Shares” means common shares in the capital of the Company and “Shareholders” means the holders of Common Shares. “Registered Shareholders” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means Shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

GENERAL PROXY INFORMATION

Notice of Caution Concerning COVID-19 Outbreak

Shareholders will not be able to attend the Meeting in person. All persons registered as Shareholders in the records of the Company as of the Company’s record date, being June 22, 2021 (the “**Record Date**”) and their duly appointed proxyholders are entitled to receive notice of the Meeting and to attend, participate and vote at the Meeting online. If you are unable to attend the Meeting online, you may complete and return the enclosed form of proxy following the instructions therein.

While it is the Company's intention to resume holding in-person meetings under normal circumstances, the Meeting will be a completely virtual meeting of Shareholders via webcast in order to deal with the impact of the COVID-19 pandemic and to mitigate risks to the health and safety of the our community, Shareholders, employees and other stakeholders. Shareholders will not be able to attend the Meeting in person. Instead, registered Shareholders and duly appointed proxyholders will be able to virtually attend, participate and vote at the virtual Meeting on the date and time of the Meeting (being July 27, 2021 at 11:00 a.m. (Montréal time)) by accessing the Meeting as follows:

1. Instructions for attending the Meeting online : <https://web.lumiagm.com/>
 - Meeting ID: 225713467
 - Meeting Password: cmi2021
2. Registered Shareholders: the 15-digit control number located on the form of proxy or in the e-mail notification you received is the username and the password is (Circular).
3. Duly appointed proxyholders: Computershare Investor Services Inc. will provide the proxyholder with a username after the voting deadline has passed. The password to the Meetings is (Circular).
4. Website address for appointee: <http://www.computershare.com/CanadianMetals>
5. Provide Computershare Investor Services Inc. with their proxyholder’s contact information by 11:00 a.m. (EST) on July 23, 2021.

To ensure a smooth process, the Company is asking registered participants to log in by 10:45 a.m. (Montréal time) on July 27, 2021.

Only registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. Non-registered Shareholders who have not duly appointed themselves as proxyholder will not be able to vote or ask questions at the Meeting but will be able to participate as a “guest”.

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners).

We have arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and we may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers or solicitors of the Company. **If you are a Registered Shareholder, you have the right to vote by proxy and to appoint a person or company other than the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting.** You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy. Registered Shareholders electing to submit a Proxy may do so by:

- (i) completing, dating and signing the enclosed form of Proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by fax within North America at 1-866-249-7775, or by mail or hand delivery at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- (ii) using a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the holder’s account number and the Proxy Control Number.

If you intend to vote by Proxy, you must ensure that the Proxy is received by 11:00 a.m. (Montréal time) on July 23, 2021 or at least 48 hours before any adjournment of the Meeting at which the Proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf. If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

Exercise of Discretion by Proxyholder

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein,
- (iii) any other matter that properly comes before the Meeting, and
- (iv) the exercise of discretion of the proxyholder.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matters that could come before the Meeting.

Voting by Non-Registered Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. (the registration name for the Depository Trust Company, which acts as nominee for many U.S. brokerage firms), and in Canada, under the name of CDS & Co. (the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Computershare or Broadridge will name the same persons as the Company's proxy to represent you at the Meeting. **Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as proxyholder for your Intermediary and vote your Common Shares in that capacity.** To exercise this right to attend the meeting or appoint a proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

If you receive a voting instruction form from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Information Circular, no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate 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 on at the Meeting other than the election of directors or the appointment of auditors.

RECORD DATE AND QUORUM

The board of directors (the “**Board**”) of the Company has fixed the Record Date for the Meeting as the close of business on June 22, 2021. Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Company’s articles, the quorum for the transaction of business at a meeting of Shareholders is one person who is a Shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of Shareholders pursuant to the Company’s articles, holding at least 5% of the Common Shares, present in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the date of this Information Circular, the Company had 44,149,794 issued and outstanding Common Shares, each Common Share carrying the right to one vote.

The Board has fixed June 22, 2021 as the Record Date for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company as at June 22, 2021 was:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares⁽¹⁾
Beat Frei	4,675,000 ⁽²⁾	10.59%

Notes:

- (1) Based on 44,149,794 Common Shares issued and outstanding.
- (2) Includes: (i) 2,055,000 Common Shares held by Beat Frei and (ii) 2,620,000 Common Shares held by Comfortra GmbH, a company controlled by Mr. Frei.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company’s directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

Presentation of Financial Statements

The annual financial statements of the Company for the financial years ended July 31, 2020 and 2019, together with the auditor's report thereon, will be placed before the Meeting. The Company's financial statements are available on the Company's profile on SEDAR at www.sedar.com.

Election of Directors

The Board is currently comprised of five directors, being Michel Gagnon, Guy Simard, Patrick Moryoussef, Yves Rougerie and Pierre Renaud. The Company proposes to fix the number of directors of the Company at five and to nominate the persons listed below for election as directors.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office becomes vacant earlier in accordance with the provisions of the *Business Corporations Act* (Québec), each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Company or any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years), the period of time during which each has been a director and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof:.

Name, Country of Residence and Present Office Held	Present Principal Occupation, Business or Employment (Within the Past Five Years for proposed Directors) ⁽¹⁾	Date Elected or Appointed	Number of Shares Held ⁽²⁾
Michel Gagnon ⁽³⁾⁽⁵⁾ Director Wentworth, Québec	Chairman and CEO of Alliance Magnesium Inc.	February 5, 2015	594,110 ⁽⁴⁾ (1.3%)
Guy Simard ⁽³⁾ Director Baie-Comeau, Québec	Director Industrial Development of ID Manic	March 1, 2017	Nil
Patrick Moryoussef ⁽³⁾ Director Montréal, Québec	Senior Vice President – Technical Services and Operational Performance of Endeavour Mining Corp.	September 25, 2020	Nil
Yves Rougerie Director Montréal, Québec	President and CEO of Vision Lithium Inc.	September 25, 2020	100,000 (0.22%)
Maxime Lemieux Proposed Director Montréal, Québec	Counsel in the National Capital Markets and M&A Group at McMillan LLP	-	150,000 (0.35%)

Notes:

- (1) The information as to the principal occupation, business or employment is not within the knowledge of the Company and has been furnished by the respective directors individually.

- (2) The information as to the number of Common Shares beneficially owned or over which a director exercises control or direction, directly or indirectly, is not within the knowledge of the Company and has been furnished by the respective directors individually.
- (3) Member of Audit Committee.
- (4) Of which 318,324 Common Shares are held by Vega Capital Inc., a private company beneficially wholly-owned and controlled by Mr. Gagnon.
- (5) Chairman of the Audit Committee.
- (6) Michel Gagnon was Interim Chief Executive Officer of the Company from December 2, 2019 to April 14, 2020.

Michel Gagnon and Guy Simard were elected as directors of the Company at the last annual general meeting of Shareholders. Patrick Moryoussef and Yves Rougerie were appointed to the Board on September 25, 2020.

A Shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

In the absence of the instruction to the contrary, the persons designated by management in the Proxy intend to vote “FOR” each of the director nominees listed in this Information Circular.

Director Biographies

Michel Gagnon – Chairman of the Board

Mr. Gagnon is Chairman of the Board and CEO of Alliance Magnesium Inc. since November 2017. Alliance is a privately-owned Canadian company who has developed technology to process magnesium contained in serpentine rock. Alliance plans to invest a total of \$600 million to build a full-scale magnesium metal production plant with a production capacity of 50,000 tons/year. The project calls for the commissioning of a pre-commercial plant of 11 700 million tonnes and a full commercial-sized plant of 50 000 million tonnes. Previously, Mr. Gagnon was the Vice-President Finance and Business Development as well as Corporate Secretary of Aluminerie Alouette, the largest smelter in the Americas. A Business Graduate from the University of Québec in Montréal, Mr. Gagnon is also a member of the Institute of Corporate Directors and serves on several boards. Mr. Gagnon was awarded CFO of the year in 2012 by the Financial Executive Institute for the private enterprise in Québec.

Guy Simard – Director

Mr. Simard has more than twenty years as CEO and business development officer for organizations in the areas of economic and regional development in Québec. He has assisted many entrepreneurs and many enterprises in the realization of investment projects and technical feasibility studies in various business sectors, mainly in the natural resources (mining, forestry, energy) and metallurgy. Mr. Simard is an officer on numerous boards of directors of public and private companies. He has been chairman of the Manicouagan regional health and social services, an organization of 1,350 employees and has an operating budget of 100M\$ for the waiver health service for a population of over 50,000 people. His extensive knowledge of business management, governance of public and private companies and its network of established contacts in government circles is a valued contribution to any management team. Mr. Simard holds a Bachelor of Business Administration and a Certificate in Applied Studies in Urban Planning from the University of Québec at Montréal and completed his master’s degree in management of small and medium enterprises and their environment at the University of Québec at Trois-Rivières.

Patrick Moryoussef – Director

Mr. Moryoussef is Senior Vice President – Technical Services and Operational Performance at Endeavour Mining. He previously served 16 years as Vice-President, Mining Operations with SEMAFO Inc. prior to the merger in July 2020 with Endeavour. In his past career, Mr. Moryoussef occupied various positions as General Manager, Senior Project Engineer, Chief Engineer and Captain at various mining operations within the Noranda, Placer Dome and Falconbridge group. He has also acted as Administrator of various junior mining companies. Expertise includes, mining, strategic development, financials, feasibility studies, NI 43-101, construction, acquisitions, and support to operations. Mr. Moryoussef is a professional mining engineer graduate from McGill University and a member of Ordre des Ingénieurs

du Québec.

Yves Rougerie – Director

Mr. Rougerie, P.Ge. is a graduate of Montréal's UQAM in Earth Sciences and brings 40 years of experience in the mining exploration and development business. He has been the President and CEO of Vision Lithium and its predecessors since 2007. Throughout his career, Mr. Rougerie has worked for several companies, including AREVA and AUR Resources. He played a significant role in the exploration, discovery and development phases of Aur Resources' Louvicourt Cu-Zn-Ag-Au Mine near Val-d'Or, participated in the discovery and definition of Areva's "L" uranium-gold deposit and Vision's nearby Epsilon high grade discoveries in the Otish Mountains and was responsible for the initial discovery of the Gladiator gold deposit of Bonterra Resources, all in Québec. Mr. Rougerie has a wide range of experience in exploration techniques and project management pertaining to narrow-vein Gold, VMS Cu-Zn, uranium-gold and lithium deposits. Mr. Rougerie was also a founding Director of Scorpio Mining Corporation, now Americas Gold and Silver Corp.

Maxime Lemieux – Proposed Director

Mr. Lemieux, counsel in the National Capital Markets and M&A Group at McMillan LLP, has 15 years of experience in securities law. His practice is focused on securities, corporate finance, and mergers and acquisitions matters. Representing both issuers and investment dealers, Mr. Lemieux has experience in private and public debt and equity offerings. He has also acted as lead counsel in a number of private and public merger and acquisition transactions and corporate reorganization, as well as a variety of negotiated transactions, including reverse take-over, exempt take-over bids and proxy contests. He also sits on the board of several public companies. Admitted to the Québec Bar in 2006, Mr. Lemieux also has an MBA.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No proposed director is, as at the date of this Information Circular, or has been, within the last 10 years before the date of this Information Circular, a director, or executive officer of any company (including the Company) that was:

- (a) subject to 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, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) subject to 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, 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 is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that:

- (a) while that person was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) became 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.

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security's regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Appointment of Auditor

Management is recommending that Shareholders vote to appoint PricewaterhouseCoopers, Partnership of Chartered Professional Accountants (“**PwC**”), of 1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec H3B 4Y1, as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. PwC was first appointed auditors of the Company on December 18, 2018.

Shareholders will be asked at the Meeting to approve, with or without variation, the following resolution:

“BE IT RESOLVED THAT PricewaterhouseCoopers, Partnership of Chartered Professional Accountants, be appointed as auditor of the Canadian Metals Inc. (the “**Company**”) until the close of the next annual general meeting and that the directors of the Company are hereby authorized to fix the remuneration of the auditor.”

The Board unanimously recommends that each Shareholder vote “FOR” the appointment of PwC as auditor of the Company.

In the absence of instructions to the contrary, the persons designated by management in the Proxy intend to vote “FOR” the preceding resolution.

Acquisition of Targets Minerals Inc.

Relevant disinterested Shareholders will be asked at the Meeting to approve, with or without variation, the following resolution (the “**Acquisition Resolution**”) approving, among other things, the acquisition (the “**Acquisition**”) of all of the issued and outstanding common shares of Targets Minerals Inc. (“**TM**”). TM holds a 100% interest in the Nicholas-Denys and Oxford Brook projects located in New Brunswick, subject to certain existing net smelter royalties. See “*Information Concerning the Acquisition*”.

“BE IT RESOLVED THAT:

- (a) the share purchase agreement (the “**Share Purchase Agreement**”) to be entered into between Canadian Metals Inc. (the “**Company**”), Targets Minerals Inc. (“**TM**”) and the shareholders of TM, in accordance with the terms and conditions of the letter of intent dated March 30, 2021 between the Company and TM, be and is hereby authorized and approved, and the Company is authorized to perform all of its obligations thereunder;
- (b) any one director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution; and
- (c) notwithstanding that this resolution has been duly passed by the shareholders of the Company, the board of directors of the Company is hereby authorized and empowered, at its discretion, to amend the Share Purchase Agreement or any agreement ancillary thereto to the extent permitted by the terms thereof, or, subject to the terms of such agreements, to proceed or not to proceed with the transactions contemplated therein without further approval of the shareholders of the Company.”

Notwithstanding approval of the Acquisition by the Shareholders, the resolution authorizes the Board, without further notice to or approval from or action by the Shareholders, to decide to not proceed with the Acquisition at any time prior to the closing of the Acquisition.

The Acquisition Resolution must be approved by at least a majority of votes cast by the Shareholders present in person or represented by proxy at the Meeting, excluding votes attached to any Common Shares held or controlled by Stéphane Leblanc, Beat Frei and Michel Gagnon (collectively, the “**Interested Shareholders**”), or their related parties, in accordance with Multilateral Instrument 61-101– *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Common Shares held or controlled by the Interested Shareholders and their related parties will be withheld from the tally of votes on the Acquisition Resolution.

The Board unanimously recommends that each Shareholder vote “FOR” the Acquisition. Each of the independent directors of the Company has indicated his intention to vote “FOR” the Acquisition.

In the absence of instructions to the contrary, the persons designated by management in the Proxy intend to vote “FOR” the Acquisition Resolution.

The Arrangement

At the Meeting, Shareholders will be asked to approve a special resolution (the “**Arrangement Resolution**”) authorizing the plan of arrangement (the “**Plan of Arrangement**”) of the Company and QNB Metals Inc. (“**Spinco**”), the full text of which is set out in Schedule “C” to this Information Circular. Pursuant to the Plan of Arrangement and the arrangement agreement dated June 17, 2021 (the “**Arrangement Agreement**”) between the Company and Spinco, the Company will transfer the Company’s Lac La Chesnaye project (the “**Spinco Property**”) to Spinco (the “**Arrangement**”).

In order for the Arrangement to become effective, as provided in the interim order of the Superior Court of Québec (the “**Court**”) dated June 22, 2021 (the “**Interim Order**”) and by the *Business Corporations Act* (Québec) (the “**QBCA**”), the Arrangement Resolution must be approved by at least two-thirds of the votes cast on the Arrangement Resolution by Shareholders. Should Shareholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

The Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement and unanimously recommends that each Shareholder vote “FOR” the Arrangement Resolution.

In the absence of instructions to the contrary, the persons designated by management in the Proxy intend to vote “FOR” the Arrangement Resolution.

Approval of Stock Option Plan of QNB Metals Inc.

At the Meeting, Shareholders will be asked to approve the option plan of QNB Metals Inc. (the “**Spinco Plan**”). The purpose of the Spinco Plan is to provide an incentive to employees, directors, officers, management companies and consultants who provide services to Spinco, and to reduce the cash compensation Spinco would otherwise have to pay.

The following summary of the Spinco Plan does not purport to be complete and is qualified in its entirety by reference to the Spinco Plan. A full copy of the Spinco Plan will be available at the Meeting for review by Shareholders. Shareholders may also obtain copies of the Spinco Plan from the Company prior to the Meeting on written request.

Eligible Participants. Options may be granted under the Spinco Plan to directors and senior officers of Spinco or its subsidiaries (collectively, the “**Spinco Directors**”), employees of Spinco or its subsidiaries (collectively, the “**Spinco Employees**”) or consultants of Spinco or its subsidiaries (collectively, the “**Spinco Consultants**”). The board of directors of Spinco, in its discretion, determines which of the Spinco Directors, Spinco Employees or Spinco Consultants will be awarded options under the Spinco Plan.

Number of Shares Reserved. The number of common shares in the capital of Spinco (“**Spinco Common Shares**”) which may be issued pursuant to options granted under the Spinco Plan may not exceed 10% of the issued and outstanding Spinco Common Shares at the date of granting of options. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Spinco Plan.

Limitations. Under the Spinco Plan, the aggregate number of options granted to any one person (including companies wholly-owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Spinco Common

Shares, calculated on the date the option is granted. The aggregate number of options granted to any one Spinco Consultant in a 12-month period must not exceed 2% of the issued and outstanding Spinco Common Shares, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to Spinco (including Spinco Consultants and Spinco Employees or Spinco Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Spinco Common Shares in any 12-month period, calculated at the date an option is granted to any such person.

Exercise Price. The exercise price of options granted under the Spinco Plan is determined by the board of directors of Spinco, provided that it is not less than the market price less the allowable discount as set out in the policies of the Canadian Securities Exchange (the “CSE”) or such other minimum price as is permitted by the CSE in accordance with the policies in effect at the time of the grant, or, if the Spinco Common Shares are not on the CSE, then such other exchange or quotation system on which the Spinco Common Shares are listed or quoted for trading. The exercise price of stock options granted to insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any options granted under the Spinco Plan is determined by the board of directors of Spinco and may not exceed ten years from the date of grant.

Vesting. All options granted pursuant to the Spinco Plan will be subject to such vesting requirements as may be prescribed by the CSE, if applicable, or as may be imposed by the board of directors of Spinco. Options issued to persons retained to provide investor relations activities must vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period.

Termination. Any options granted pursuant to the Spinco Plan will terminate upon the earliest of:

- (a) the end of the term of the option;
- (b) on the date the holder ceases to be eligible to hold the option (the “**Cessation Date**”), if the Cessation Date is as a result of dismissal for cause;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) on such other date as fixed by the board of directors of Spinco, provided that the date is no more than six months from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause; or
- (e) 30 days from the Cessation Date, if the optionee was engaged in investor relations activities.

Disinterested shareholder approval will be sought in respect of any material amendment to the Spinco Plan.

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution:

“BE IT RESOLVED THAT:

- (a) the stock option plan of QNB Metals Inc. be approved, and that in connection therewith a maximum of 10% of the issued and outstanding common shares of QNB Metals Inc. at the time of each grant be approved for granting as options; and
- (b) any director or officer of QNB Metals Inc. be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

A copy of the Spinco Plan is available at the records office of the Company at 866 3rd Avenue, Val d'Or, Québec J9P 1T1 until the business day immediately preceding the date of the Meeting, and a copy will also be made available at the Meeting.

The Board unanimously recommends that each Shareholder vote “FOR” the approval of the Spinco Plan.

In the absence of instructions to the contrary, the persons designated by management in the Proxy intend to vote “FOR” the preceding resolution.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision-making.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices under Form 58-101F2 *Corporate Governance Disclosure*, which disclosure is set forth below in Schedule “B” to this Information Circular.

COMPENSATION OF EXECUTIVE OFFICERS

The Board has assessed the Company’s compensation plans for its executive officers to ensure alignment with the Company’s business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

COMPENSATION DISCUSSION AND ANALYSIS

This section provides the Company’s approach to executive compensation by outlining the processes and decisions supporting the determination of the amounts which the Company paid to its Chief Executive Officer, Chief Financial Officer and its other most highly compensated executives during the financial year ended July 31, 2020.

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) the Company’s Chief Executive Officer (“**CEO**”);
- (b) the Company’s Chief Financial Officer (“**CFO**”);
- (c) the Company’s 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 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

While this discussion relates to the NEOs, the other executives of the Company participate in the same plans and are subject to a similar process.

The Board’s responsibilities relating to the compensation and retention of NEOs include, but are not limited to:

- setting policies for the remuneration of the Company’s executive officers;

- reviewing and approving salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the Chief Executive Officer;
- considering the recommendations of the Chief Executive Officer and setting the terms and conditions of employment including, approving the salary, bonus, and other benefits, direct or indirect, and any change-of-control packages, of the executive officers of the Company; and
- overseeing the administration of the Company's compensation plans, including its share option plan and such other compensation plans or structures as are adopted by the Company from time to time.

The following executive compensation principles guide the Board in fulfilling its roles and responsibilities in the design and ongoing administration of the Company's executive compensation program:

- compensation levels and opportunities must be market competitive to attract and retain qualified and experienced executives, while being fair and reasonable to Shareholders;
- compensation must incorporate an appropriate balance of short and long-term rewards; and
- compensation programs must align executives' long-term financial interests with those of Shareholders by providing equity-based incentives.

During the financial year ended July 31, 2020, the Company's executive compensation program was administered by the Board. The Company's executive compensation program has the objective of attracting and retaining a qualified and cohesive group of executives, motivating team performance and the aligning of the interests of executives with the interests of the Company's Shareholders through a package of compensation that is simple and easy to understand and implement. Compensation under the program was designed to achieve both current and longer-term goals of the Company and to optimize returns to Shareholders. In addition, in order to further align the interests of executives with the interests of the Company's Shareholders, the Company has implemented share ownership incentives through incentive stock options. The Company's overall compensation objectives are in line with its peer group of mining companies with opportunities to participate in equity.

The Company's executive compensation consists of a combination of base salary and stock option incentives and has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

In determining the total compensation of any member of senior management, the directors of the Company consider all elements of compensation in total rather than one element in isolation. The directors of the Company also examine the competitive positioning of total compensation and the mix of fixed, incentive and share-based compensation.

Each element of executive compensation is carefully considered by the Board to ensure that there is the right mix of short-term and long-term incentives for the purposes of achieving the Company's goals and objectives.

Base Salary

While there is no official set of benchmarks that the Company relies on and there is not a defined list of issuers that the Company uses as a benchmark, the Company makes itself aware of, and is cognizant of, how comparable issuers in its business compensate their executives. The Company's peer group in connection with salary compensation consists of sampling of other similar sized mining companies both private and ones that are reporting issuers (or the equivalent) in Canada. The base salary for each executive officer is reviewed and established near the end of the fiscal year. Base salaries are established taking into consideration the executive officer's personal performance and seniority, comparability within industry norms, and contribution to the corporation's growth and profitability. The Company believes that a competitive base salary is an imperative element of any compensation program that is designed to attract talented and experienced executives.

Base salaries are reviewed annually to ensure that they properly reflect a balance of market conditions, the levels of responsibilities and accountability of each individual, their unique experience, skills and capability and level of sustained performance.

Bonus Framework

At the discretion of the Board, executives are provided with annual cash incentive bonuses based on annual financial performance. Also at its discretion, the Board may tie annual cash bonuses to the achievement of other financial and non-financial goals. If the targets set are not met, the bonuses are not paid.

Option Based Awards

An important integral part of the Company's compensation program is to offer the opportunity and incentive for executives and staff to own shares of the Company. The directors of the Company believe that ownership of the Company's shares will align the interests of executives and future staff with the interests of the Company's shareholders.

The Company's directors are compensated for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expertise by the issuance of incentive stock options. On January 22, 2013 (as amended), the Company implemented a 10% "rolling" share option plan (the "SOP") in order to provide the Company with the flexibility necessary to attract and maintain the services of senior executives and other employees in competition with other businesses in the industry and in accordance with CSE policies.

The Shareholders of the Company authorized the Board to replace the SOP with a new 10% "rolling" Stock Option Plan (the "Current SOP"), which conform to the rules and requirements of the CSE at the annual meeting of the Shareholders dated February 26, 2018.

The material terms of the Current SOP are as follows:

1. The aggregate maximum number of options which may be granted under the Current SOP at any one time is 10% of the number of common shares the Company has outstanding at the time of grant.
2. The term of any options granted under the Current SOP will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. The exercise price of any options granted under the Current SOP will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Company's Common Shares on the day preceding the day on which the directors grant such options, less any discount permitted by the CSE.
4. No vesting requirements will apply to options granted thereunder, save for options granted to an employee performing investor relations activities for the Company.
5. All options will be non-assignable and non-transferable.
6. No more than (i) 5% of the issued shares may be granted to any one individual in any 12-month period; and (ii) no more than 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12-month period.
7. If the option holder ceases to be a director of the Company (other than by reason of death), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Current SOP. If the option holder is engaged in investor relations activities or ceases to be an employee, consultant or management company employee of the Company (other than by reason of death), then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Current SOP.

8. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12-month period, exceeding 10% of the Company's issued shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued shares.
9. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

Incentive stock options are not granted on a regular schedule but rather as the compensation are reviewed by the directors of the Company from time to time. When reviewing incentive stock option grants, consideration is given to the total compensation package of the executives and staff and a weighting of appropriate incentives groupings at the senior, mid and junior levels of the staff including past grants. At the time of any incentive stock option grant, consideration is also given to the available incentive stock option pool remaining for new positions being contemplated by the Company.

STATEMENT OF EXECUTIVE COMPENSATION

Set out below are particulars of compensation paid to the directors and the Named Executive Officers of the Company.

As at July 31, 2020, the end of the most recently completed financial year of the Company, the Company had three NEOs, whose name and positions held within the Company are set out in the summary compensation table below.

Named Executive Officer Compensation

The following table sets forth information concerning the total compensation paid to the Named Executive Officers of the Company for the financial years ended July 31, 2020, and 2019:

Name and principal position	Year	Salary	Share-based awards	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation		Pension value	All Other Compensation	Total Compensation
					Annual incentive plan	Long-term incentive plans			
					(\$)	(\$)			
Stéphane Leblanc ⁽²⁾ President and CEO	2020	Nil	Nil	Nil	Nil	Nil	Nil	205,000 ⁽³⁾	205,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil	229,998 ⁽³⁾	229,998
Michel Gagnon ⁽⁴⁾ Former CEO	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	17,500	17,500
Gérald Panneton ⁽⁵⁾ Former Chairman and CEO	2020	Nil	Nil	Nil	Nil	Nil	Nil	36,000 ⁽⁶⁾	36,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil	16,000 ⁽⁶⁾	16,000
René Boisvert ⁽⁷⁾ Former President	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	216,667 ⁽⁸⁾	216,667
Patsie Ducharme ⁽⁹⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil	120,000 ⁽¹⁰⁾	120,000

Name and principal position	Year	Salary	Share-based awards	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation		Pension value	All Other Compensation	Total Compensation
					Annual incentive plan	Long-term incentive plans			
					(\$)	(\$)			
Chief Financial Officer	2019	Nil	Nil	Nil	Nil	Nil	Nil	147,500 ⁽¹⁰⁾	147,500
Beat Frei ⁽¹¹⁾ Vice President Development & Project Finance	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) In 2019, fair value at the time of grant calculated using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%, expected volatility of 144.11%, risk-free interest rate of 2.43%, and an expected life of 5 years. The volatility was determined in comparison with the volatility of comparable publicly traded companies. No options of the Company were granted in 2020.
- (2) Stéphane Leblanc was VP Corporate Development and was then appointed President and CEO on April 14, 2020.
- (3) These compensations were paid to 9248-7792 Québec Inc., a corporation controlled by Mr. Leblanc, for his services pursuant to a consulting agreement.
- (4) Michel Gagnon was Interim CEO from December 2, 2019 to April 14, 2020.
- (5) Gerald Panneton was named Chairman and CEO on July 5, 2019 until his resignation effective November 29, 2019.
- (6) These compensations were paid to GP Consulting, a corporation controlled by Gerald Panneton, for his services as CEO.
- (7) René Boisvert was appointed the President of the Company effective June 18, 2018 and ceased on July 4, 2019.
- (8) These compensations were paid to 9379-7769 Québec Inc., a corporation controlled by Mr. Boisvert, for the services as President pursuant to a consulting agreement.
- (9) Patsie Ducharme was appointed the Senior Vice President Finance and Chief Financial Officer effective July 1st, 2018.
- (10) These compensations were paid to Ms. Ducharme for her services as CFO of the Company.
- (11) Beat Frei was appointed Vice President Development & Project Finance on April 14, 2020.

Incentive Plan Awards

Option-Based Awards for the Fiscal Year ended July 31, 2020

The Company has not granted any options to its NEOs during the fiscal year ended July 31, 2020.

The following table sets out all option-based and share-based awards outstanding at July 31, 2020, for each NEO.

Name	Option-based Awards				Share-Based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Shares or units of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)	Market or payout value of vested Share based awards not paid out or distributed (\$)
Stéphane Leblanc President and CEO	30,000	1.00	February 26, 2021	Nil	Nil	Nil	Nil
	25,000	1.40	February 5, 2023	Nil	Nil	Nil	Nil
	70,000	1.00	June 27, 2023	Nil	Nil	Nil	Nil
Patsie Ducharme CFO	50,000	1.50	June 27, 2023	Nil	Nil	Nil	Nil

Name	Option-based Awards				Share-Based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares or units of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)	Market or payout value of vested Share based awards not paid out or distributed (\$)
Beat Frei Vice President Development & Project Finance	Nil	N/A	N/A	Nil	Nil	Nil	Nil

Note:

- (1) Calculated using the closing price of the Company's Common shares on the CSE on July 31, 2020 of \$0.09 and subtracting the exercise price of stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Company's Common shares on the date of exercise.

Value Vested or Earned for the Fiscal Year ended July 31, 2020

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

Named Executive Officer	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stéphane Leblanc	Nil	Nil	Nil
Patsie Ducharme	Nil	Nil	Nil
Beat Frei	Nil	Nil	Nil

Pension Benefits

The Company has no pension plans that provide for payments or benefits at, following, or in connection with the retirement of the Named Executive Officers.

Director Compensation

The following table sets forth the details of compensation provided to the directors, other than the NEOs, during financial year ended July 31, 2020:

Name of Director	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Michel Gagnon	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Guy Simard	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Dumas ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roger C. Urquhart ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pierre Renaud	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Moryoussef ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Yves Rougerie ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Louis Dionne ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Paul Dumas resigned from the Board on September 25, 2020.
- (2) Roger C. Urquhart resigned from the Board on September 25, 2020.
- (3) Patrick Moryoussef was appointed to the Board on September 25, 2020.
- (4) Yves Rougerie was appointed to the Board on September 25, 2020.
- (5) Louis Dionne was appointed to the Board on September 23, 2019 and resigned from the Board on November 15, 2019.

Option-Based Awards for the Fiscal Year ended July 31, 2020

The following table sets out all option-based awards outstanding at fiscal year ended July 31, 2020, for each non-employee director.

Name	Option-based Awards				Share-Based Awards		
	Number of securities underlying unexercised Options ⁽²⁾ (#)	Option exercise price ⁽²⁾ (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Michel Gagnon	20,000	1.00	February 26, 2021	Nil	Nil	Nil	Nil
	30,000	1.50	June 27, 2023	Nil	Nil	Nil	Nil
Guy Simard	20,000	0.75	October 3, 2022	Nil	Nil	Nil	Nil
	5,000	1.40	February 5, 2023	Nil	Nil	Nil	Nil
	30,000	1.50	June 27, 2023	Nil	Nil	Nil	Nil
Paul Dumas ⁽³⁾	30,000	1.50	June 27, 2023	Nil	Nil	Nil	Nil
Roger C. Urquhart ⁽⁴⁾	30,000	1.50	November 5, 2023	Nil	Nil	Nil	Nil
Pierre Renaud	20,000	3.70	May 7, 2021	Nil	Nil	Nil	Nil
	30,000	1.50	November 5, 2023	Nil	Nil	Nil	Nil
Patrick Moryoussef ⁽⁵⁾	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Yves Rougerie ⁽⁶⁾	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Note:

- (1) Calculated using the closing price of the Company's Common shares on the CSE on July 31, 2020 of \$0.09 and subtracting the exercise price of stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Company's Common shares on the date of exercise.
- (2) Price and number adjusted to reflect the consolidation of Common Shares 10:1 ratio on September 26, 2020.
- (3) Paul Dumas resigned from the Board on September 25, 2020.
- (4) Roger C. Urquhart resigned from the Board on September 25, 2020.
- (5) Patrick Moryoussef was appointed to the Board on September 25, 2020.
- (6) Yves Rougerie was appointed to the Board on September 25, 2020.

Value Vested or Earned for the Fiscal Year ended July 31, 2020

There were no option-based awards vested or earned during the financial year ended July 31, 2020 for any director who was not an NEO during financial year ended July 31, 2020.

Employment, Consulting and Management Agreements

Management functions of the Company are generally performed by directors and executive officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted. During the most recently completed financial year there were no employment contracts, agreement, plans or arrangements for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Company’s most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, under equity compensation plans (a)	Weighted-average exercise price of outstanding Options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽¹⁾ (c) ⁽¹⁾
Equity Compensation Plans Approved by Shareholders	402,500	1.38	1,039,979
Equity Compensation Plans not approved by securityholders – 2018 Option Plan	Nil	Nil	Nil
Total:	402,500		1,039,979

Notes:

- (1) Current SOP limitation of 10% of the issued and outstanding Common Shares as at July 31, 2020, less issued options as listed in column (a) herein.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set out in this Information Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the Company’s last completed financial year ended July 31, 2020 or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, other than set out herein, no informed person (a director, officer or holder of 10% or more of the Common shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the financial year ended July 31, 2020.

MANAGEMENT CONTRACTS

Management functions of the Company are not to any substantial degree performed by anyone other than by the directors or executive officers of the Company. See “Employment, Consulting and Management Agreements” above.

AUDIT COMMITTEE

Audit Committee Disclosure

The purpose of the audit committee (the “**Audit Committee**”) is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, which will be provided to the Shareholders and the public, the systems of corporate controls, which management and the Board have established, and overseeing the audit process. It has general responsibility to oversee internal controls, accounting and auditing activities and legal compliance of the Company. The Audit Committee also is mandated to review and approve all material related party transactions.

Composition of the Audit Committee

The Audit Committee is comprised of the following members:

Member	Independent/Not Independent ⁽¹⁾	Financially Literate/Not Financially Literate ⁽²⁾	Relevant Education and Experience
Michel Gagnon ⁽³⁾⁽⁴⁾	Not Independent	Financially Literate	Has audit committee experience.
Pierre Renaud ⁽⁵⁾	Independent	Financially Literate	Has audit committee experience.

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the company that could, in the view of the board of directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the corporation's financial statements.
- (3) Chairman of the Audit Committee.
- (4) Michel Gagnon was Interim Chief Executive Officer from December 2, 2019 to April 14, 2020.
- (5) Pierre Renaud's term as a director will end on the date of the Meeting. After the date of the Meeting, Michel Gagnon, Guy Simard and Patrick Moryoussef will be the members of the Audit Committee.

Pierre Renaud is independent and Michel Gagnon is considered not to be independent. Paul Dumas was a member of the Audit Committee until his resignation from the Board on September 25, 2020. Each member of the Committee is considered to be financially literate, as defined by National Instrument 52-110 – *Audit Committees* (“NI 52-110”), in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. Mr. Gagnon is the Chairman of the Audit Committee.

After the date of the Meeting, Michel Gagnon, Guy Simard and Patrick Moryoussef will be the members of the Audit Committee. Patrick Moryoussef is independent and is considered to be financial literate as defined by NI 52-110.

Relevant Education and Experience

Both Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered “financially literate”. See “*Particulars of Matters to be Acted Upon – Election of Directors – Director Biographies*”.

The Audit Committee's Charter

The Company has adopted a Charter of the Audit Committee, a copy of which is attached as Schedule “A” to this Information Circular.

Audit Committee Oversight

The Audit Committee has made recommendations to the Board to nominate PwC as auditor of the Company. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's directors and, where applicable, the Audit Committee, on a case-by-case basis. Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4) to 6.1.1(6) relate to the composition of the audit committee. Section 8

permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

Management has reviewed the nature and amount of the audit services provided by the auditor to ensure auditor independence. The aggregate fees billed by the Company's external auditor during the financial year ended July 31, 2020 and 2019 were as follows:

Time Period	Audit Fees (\$) ⁽¹⁾	Audit Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$)
Fiscal year ended July 31, 2020	\$36,000	\$1,445	\$7,500	Nil
Fiscal year ended July 31, 2019	\$40,058	\$1,479	Nil	\$1,526

Notes:

- (1) "Audit Fees" includes fees for the performance of the annual audit and for accounting consultations on matters reflected in the financial statements.
- (2) "Audit-Related Fees" includes fees for assurance and related services that are related to the performance of the audit of the financial statements and "earn-in" audit work and are not reported under (1).
- (3) "Tax Fees" includes fees for tax compliance, tax planning and tax advice.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Information Circular constitute forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "propose", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements included in this Information Circular should not be unduly relied upon. These forward-looking statements speak only as of the date of this Information Circular.

In particular, this Information Circular includes forward-looking statements pertaining to the following:

- completion of the Acquisition;
- completion of the Arrangement;
- listing of the Spinco Shares on the CSE;
- business strategy, strength and focus;
- receipt of all regulatory, shareholder and other approvals for the Acquisition;

- receipt of all regulatory, shareholder and other approvals for the Arrangement;
- resource potential of the Nicholas-Denys and Oxford Brook projects;
- future financial or operating performance of Spinco;
- expectations regarding the ability to raise capital and to continually add to resources through acquisitions and development; and
- expectations with respect to the Company's future working capital position.

With respect to forward-looking statements contained in this Information Circular, assumptions have been made regarding:

- the Company's future development plans for the Nicholas-Denys and Oxford Brook projects;
- the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the legal and regulatory framework governing mining, royalties, taxes and environmental matters in Canada;
- the ability of the Company to make payments required to maintain its existing and future mineral concessions, permits and licenses;
- future sources of funding, the Company's ability to obtain financing, and its future debt levels; and
- future exchange rates of Canadian and U.S. dollars being consistent with expectations.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Information Circular:

- speculative nature of exploration, appraisal and development of mineral properties;
- no known current mineral resources or commercial quantities of mineral reserves on the Nicholas-Denys and Oxford Brook projects;
- uncertainties in access to future funding for exploration and development of the Company's properties or future acquisitions;
- unexpected liabilities or changes in the cost of operations, including costs of extracting and delivering minerals to market, that affect potential profitability of the Company;
- operating hazards and risks inherent in mineral exploration and mining;
- volatility in global equities, commodities, foreign exchange, market price of precious and base metals and a lack of market liquidity;
- changes to the political environment, laws or regulations, or more stringent enforcement of current laws or regulations in Canada;
- ability of the Company to obtain and maintain required exploration licences, concessions, access rights or permits;
- unexpected and uninsurable risks;

- limitations on the transfer of cash or assets between the Company and its foreign subsidiaries or among such subsidiaries could restrict the Company's ability to fund its operations efficiently; and
- other factors discussed under "Risk Factors".

Readers are cautioned that the foregoing lists of factors are not exhaustive. The material factors and assumptions used in developing the forward-looking statements are based on, among other things, the assumptions contained in the technical report for the Nicholas-Denys and Oxford Brook projects, as well as the Company's planned capital expenditure program, estimated recovery success rates and other prospects. Due to the nature of the mining and exploration industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities, which may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it as stated in this Information Circular, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent or necessary

The forward-looking statements contained in this Information Circular are expressly qualified by this cautionary statement. Except as required under applicable securities laws, the Company does not undertake or assume any obligation to publicly update or revise any forward-looking statements. Shareholders should read this entire Information Circular and consult their own professional advisors to assess the legal issues, risk factors and other aspects of the Transaction prior to voting their Common Shares.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed under "*Interest of Certain Persons in Matters to be Acted Upon*", "*Particulars of Matters to be Acted Upon – Acquisition of Targets Minerals Inc.*" and "*Certain Regulatory and Other Matters Relating to the Acquisition – MI 61-101*", no informed person (a director, officer or holder of 10% or more of the Common Shares) or any associate or affiliate of any informed person had any interest in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

INFORMATION CONCERNING THE ACQUISITION

Summary of the Acquisition

The Company entered into a letter of intent dated March 30, 2021 with TM, which will be replaced by a share purchase agreement (the "**Share Purchase Agreement**") to be entered into, on or about July 27, 2021, with TM and its shareholders (collectively, the "**TM Shareholders**"), whereby the Company agreed to acquire all 37,940,900 issued and outstanding common shares of TM (the "**TM Shares**") for aggregate consideration of \$5,400,000, paid through the issuance of 27,000,000 Common Shares (the "**Consideration Shares**") at a deemed price of \$0.20 per Common Share. TM has a 100% interest in the Nicholas-Denys and Oxford Brook projects located in New Brunswick. The Nicholas-Denys project, located near Bathurst, comprises 564 units held in 15 contiguous mineral claims encompassing 11,180 Ha (111.8 km²), and is divided in four named areas: Ann's Creek, Beresford, Millstream and Goldstrike. The Oxford Brook project, located near St-Quentin, comprises 169 units held in two contiguous mineral claims encompassing 3,380 Ha (33.8 km²). See "*Description of the Property*" below for more information.

Completion of the Acquisition is subject to certain closing conditions set out in the Share Purchase Agreement, which include: due diligence; completion of a technical report prepared by an independent qualified person in accordance with NI 43-101; acceptance of the CSE; and approval by the Shareholders of the Company. The Company will not proceed with the Acquisition if regulatory acceptance or approval is not obtained. The Acquisition will not create any new insiders or control persons.

In connection with the Acquisition, the Company will be assuming the following pre-existing net smelter royalties ("**NSR**") on the Nicholas-Denys and Oxford Brook projects to underlying parties: (i) 3% Au + Ag NSR and 2% on other metal on Beresford, half of which can be bought back for \$1,000,000, (ii) 2% Au + Ag NSR and 1% on other metals on Ann's Creek, all of which can be bought back for \$1,750,000, (iii) an additional 1% NSR on Ann's Creek and Beresford half of which can be bought back for \$1,000,000, (iv) 2% NSR on Goldstrike and Millstream half of which can be bought

back for \$1,000,000, and (v) 2% NSR on Oxford Brook. As a result, except for 0.5% on Ann's Creek, 1% on Goldstrike and Millstream and 2% on Oxford Brook, all the overriding NSR can be retired for \$4,000,000 at any time.

Background to the Acquisition

In late 2020, the Company and TM began discussion regarding a potential transaction. Given the related party transaction nature of the transaction, independent directors of the Company reviewed and finalized the terms of the transaction. On March 29, 2021, the independent directors of the Board approved the Acquisition the entering into of the letter of intent, with Michel Gagnon declaring his interest in the Acquisition and abstaining from voting. On March 30, 2021, the Company and TM entered into the letter of intent with respect to the Acquisition.

In April 2021, the Company engaged InnovExplo Inc. to provide the technical report on the geology, mineralization and exploration of the Nicholas-Denys project.

After careful consideration, including a thorough review of the letter of intent dated March 30, 2021, the draft Share Purchase Agreement and the benefits and risks of the proposed Acquisition, summarized under “*Reasons for the Acquisition*” and “*Risk Factors*” below, the Board approved the entering into of the Share Purchase Agreement and the Acquisition, with Michel Gagnon declaring his interest in the Acquisition and abstaining from voting. The Board determined that the terms of the Acquisition are in the best interests of the Company, and are fair and reasonable to the Shareholders other than interested parties.

On October 1, 2020, the board of directors of TM (the “**TM Board**”) retained Generic Capital Corporation (“**General Capital**”) to act as its financial advisor in connection with (a) any merger, consolidation, reorganization or other business combination pursuant to which TM and a third party are combined, or (b) the sale, purchase, transfer or other disposition of at least two-thirds of the common shares or assets of TM by way of a take-over bid, whether agreed or hostile, plan of arrangement, option, negotiated purchase, leveraged buyout or otherwise, involving TM and one or more third parties

Pursuant to the terms of Generic Capital’s engagement, Generic Capital will be paid a fee equal to 8% of the number of shares issued to TM by CME, which fee is not contingent on the completion of the Acquisition or other transactions. General Capital has agreed that 50% of the Common Shares issued will be subject to a hold period of 12 months from the date of issuance and 50% of the Common Shares issued will be subject to a hold period of 18 months from the date of issuance.

Reasons for the Acquisition

The Board carefully considered all aspects of the Acquisition, and received advice from its advisors and legal counsel. In recommending the Acquisition, the Board considered and evaluated a number of factors, including:

- ***Expansion of Existing Holdings in New Brunswick:*** The Company has focused on operations in New Brunswick, Canada the Acquisition will allow the Company to add to its existing holdings an additional circa 100km² of exploration tenements with strong historic results over 35km continuous land holding covering two major regional faults and the Nicholas-Denys pluton just outside of Bathurst, New Brunswick. The acquisition of the Nicholas-Denys and Oxford Brook projects will consolidate the Company’s regional-geographical strategy, and presents an opportunity to enhance the Company’s value.
- ***Exploration Potential:*** The Nicholas-Denys and Oxford Brook projects contain multiple targets and strong historic results for polymetallic minerals within the Bathurst mining camp. The projects contain high grades for silver and gold both from surface exploration and historic drill results, and have a combination of industrial metals including zinc, lead and copper, and precious metals including gold and silver. The Board believes the exploration potential has a high likelihood of identifying a mineral resource that will be economically attractive for development.
- ***Disinterested Shareholder Approval:*** The Company is required to seek and obtain approval of the Acquisition by a majority of the Shareholders, excluding the Interested Shareholders and their related parties. While the interests of the Interested Shareholders may involve different considerations from those of the other

Shareholders, disinterested Shareholders will be provided with the opportunity to vote against the Acquisition, and it is the disinterested Shareholders who will determine whether the Acquisition proceeds.

Share Purchase Agreement

The following is a summary of the anticipated principal terms of the Share Purchase Agreement. It does not purport to be complete and is subject to, and qualified in its entirety by reference to the provisions of the Share Purchase Agreement, a copy of which will be available on the Company's SEDAR profile at www.sedar.com.

Consideration

As consideration for all of the issued and outstanding TM Shares, the Company will pay to the TM Shareholders an aggregate of \$5,400,000, paid through the issuance of 27,000,000 Common Shares at a deemed price of \$0.20 per Common Share.

Representations and Warranties

Each of the Company, TM and the TM Shareholders will make a number of representations and warranties including with respect to its power and authority to enter into the Share Purchase Agreement and its good standing under the laws of Canada. In addition, TM will make representations and warranties with respect to its interest in the Nicholas-Denys and Oxford Brook projects.

Covenants

Covenants of the Company include:

- taking all actions within its control to ensure that the representations and warranties of the Company in the Share Purchase Agreement remain true and correct at the closing time of the Acquisition, with the same force and effect as if such representations and warranties were made at and as of the closing time of the Acquisition, and to satisfy or cause to be satisfied the conditions in the Share Purchase Agreement;
- promptly informing TM and the TM Shareholders of any facts that come to its attention which would cause any of the Company's representations and warranties in the Share Purchase Agreement to be untrue in any material respect;
- making applicable to the CSE and diligently pursue the approval of the Acquisition and the listing of the Consideration Shares on the CSE;
- subject to applicable laws, not taking any action, refraining from taking any action, or permitting any action to be taken or not taken inconsistent with the Share Purchase Agreement or which would reasonably be expected to significantly impede the consummation of the Acquisition;
- taking all necessary corporate action and proceedings to approve and authorize the issuance of the Consideration Shares;
- preparing and filing with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Consideration Shares, in each case, on a basis exempt from the prospectus requirements of the applicable securities laws; and
- using commercially reasonable efforts to maintain its status as a "reporting issuer" (as defined under applicable securities legislation), not in default of the securities laws of the Provinces of British Columbia, Alberta, Ontario and Québec.

Covenants of TM and the TM Shareholders include:

- taking all actions within their control to ensure that the representations and warranties of TM and the TM Shareholders in the Share Purchase Agreement remain true and correct at the closing time of the Acquisition, with the same force and effect as if such representations and warranties were made at and as of the closing time of the Acquisition, and to satisfy or cause to be satisfied the conditions in the Share Purchase Agreement;
- promptly informing the Company of any facts that come to their attention which would cause any of TM's or the TM Shareholders' representations and warranties in the Share Purchase Agreement to be untrue in any material respect;
- promptly informing the Company in writing of any material adverse change in respect of TM;
- causing TM to conduct its business and affairs and maintain its Mineral Rights (as defined in the Share Purchase Agreement), and not taking any action except in, the usual, ordinary and regular course of business consistent with past practice or in connection with the completion of the Acquisition;
- using all commercially reasonable efforts to procure that all necessary steps and corporate proceedings are taken in order to facilitate the Acquisition, including the transfer of the purchased TM shares to the Company or its nominee; and
- causing TM not to: (i) permit the sale of any of the purchased TM shares or issue any additional securities in TM; (ii) make any material change to its business or affairs; (iii) declare or pay any dividend or other distribution; or (iv) take any action that could reasonably be expected to interfere with or be inconsistent with the completion of the Acquisition.

Conditions to the Acquisition

The respective obligations of the Company and TM to complete the Acquisition are subject to certain conditions, on or before the closing date of the Acquisition including:

- there will not be in force any order or decree restraining or enjoining the consummation of the Acquisition and there will be no proceeding of a judicial or administrative nature or otherwise, in progress or threatened that relates to or results from the transactions contemplated by the Share Purchase Agreement that would, if successful, result in an order or ruling that would preclude completion of the transactions contemplated by the Share Purchase Agreement in accordance with the terms thereof;
- the Share Purchase Agreement shall not have been terminated pursuant to the terms thereof;
- the receipt of all required approvals and consents for the Acquisition, including without limitation: (i) the approval of the board of directors of each of the Company and TM; (ii) the approval of the Shareholders in the manner required by the QBCA, the CSE and applicable securities laws (including MI 61-101); (iii) the approval of the TM Shareholders, if required by the CSE or applicable corporate or securities laws; and (iv) the approval of the CSE and any other applicable regulatory authority; and
- receipt of all necessary regulatory and third party consents, approvals and authorizations as may be required in respect of the Acquisition, as applicable, with all such consents, acceptances and approvals to be on terms and conditions acceptable to the parties.

The obligations of the Company to complete the Acquisition are subject to the satisfaction, on or before the closing date of the Acquisition, of certain conditions including:

- there will have been no material adverse change with respect to TM;
- all outstanding common share purchase warrants of TM shall have been cancelled;
- the liabilities of TM shall not exceed \$185,000, excluding any costs incurred in connection with the Acquisition;

- the completion of an independent technical report compliant with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* acceptable to the Company and the CSE in connection with the Acquisition, the costs of which shall be borne by the Company;
- TM will deliver financial statements acceptable to the Company and compliant with the disclosure requirements under the policies of the CSE and applicable securities laws;
- if required by the Company, TM will deliver a title opinion in respect of the Nicholas-Denys and Oxford Brook projects in form and content satisfactory to the Company and its agents, acting reasonably;
- if required by the Company, TM will deliver an opinion of legal counsel confirming the due incorporation and corporate standing in respect of TM and each of its subsidiaries, in each case in form and content satisfactory to the Company and its counsel, acting reasonably;
- completion of due diligence to the satisfaction of the Company;
- no inquiry or investigation (whether formal or informal) in relation to TM or its directors or officers shall have been commenced or threatened by any relevant securities commission or similar regulatory body having jurisdiction, such that the outcome of such inquiry or investigation could have a material adverse effect on TM after giving effect to the Acquisition;
- the representations and warranties of TM and the TM Shareholders shall be true and correct as at the closing time of the Acquisition, as if such representations and warranties were made at and as of such time; and
- all of the terms, covenants and conditions of the Share Purchase Agreement to be complied with or performed by TM and the TM Shareholders at or before the closing time of the Acquisition shall have been complied with or performed.

The obligations of TM to complete the Acquisition are subject to the satisfaction, on or before the closing date of the Acquisition, of certain conditions including:

- the representations and warranties of the Company shall be true and correct as at the closing time of the Acquisition, as if such representations and warranties were made at and as of such time;
- all of the terms, covenants and conditions of the Share Purchase Agreement to be complied with or performed by the Company at or before the closing time of the Acquisition shall have been complied with or performed;
- the Company will not be in default of the requirements of the CSE or of any securities commission and no order will have been issued and currently in effect preventing the Acquisition or the trading of any securities of the Company; and
- there will have been no material adverse change with respect to the Company.

Required Shareholder Approval

Stéphane Leblanc is an officer of the Company, a director of TM and a TM Shareholder holding more than 10% of the issued and outstanding TM Shares. Beat Frei is an officer of the Company, a director of TM and a TM Shareholder holding more than 10% of the issued and outstanding TM Shares. Michel Gagnon is a director of the Company and a director of TM. TM is a related party of the Company and the Acquisition, and the transactions contemplated thereunder, constitute related party transactions, which requires minority shareholder approval in accordance with MI 61-101.

In determining minority approval for the Acquisition Resolution under MI 61-101, the votes to any Common Shares owned or controlled by the Interested Shareholders and their related parties must be excluded from the approval of the Acquisition Resolution.

Description of the Property

TM's material property is the Nicholas-Denys project. Information of a scientific or technical nature in respect of the Nicholas-Denys project in this Information Circular is derived from portions of the independent NI 43-101 technical report dated effective May 20, 2021, entitled "NI 43-101 Technical Report for the Nicholas-Denys Project, New Brunswick, Canada" (the "**TM Technical Report**") prepared by Claude Savard, P. Geo. and Doug Clark, P. Geo. Both authors are independent of the Company and TM and are qualified persons as defined by NI 43-101.

Readers are cautioned that the summary of technical information in this Information Circular should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete TM Technical Report and the summary provided herein is qualified in its entirety by TM Technical Report. Capitalized and abbreviated terms appearing in this section and not otherwise defined herein have the meaning ascribed to such terms in the TM Technical Report.

Property Description and Location

The Nicholas-Denys project is located in northeastern New Brunswick, in the Restigouche and Gloucester counties, approximately 24 km northeast of the city of Bathurst. The Nicholas-Denys project is easily accessible by a combination of paved and gravel roads from the town of Bathurst via Highway No. 11 and the secondary road from Nigadoo to Nicholas-Denys, a total distance of 21 km (Figure 4.1).

The Nicholas-Denys project covers 122.7 km², extending 30 km east-west and 6 km north-south. The coordinates of the approximate centroid are 65°57'46"W and 47°40'56"N (UTM: 277640E and 5283228N, NAD 83, Zone 20). The Nicholas-Denys project overlies the counties of Restigouche and Gloucester on NTS map sheet 21O/09 and 21P/12.

The Nicholas-Denys project consists of four (4) blocks of mineral claims (Ann's Creek, Beresford, Millstream and Goldstrike) covering a collective area of 12,270 ha (122.7 km²) (Table 4.1 and Figure 4.2). The royalties on the Nicholas-Denys project consist of following:

- Beresford Copper claim block 3.0% (Au and Ag) and 2% (other metals), of which half can be bought back for \$1.0M and the remaining half remain open further negotiations.
- Ann's Creek claim block 2.0% (Au and Ag) and 1.0% (other metals), that can be completely bought back for \$1.75M.
- Beresford Copper and Ann's Creek claim blocks 1% NSR, of which half can be bought back for \$1.0M.
- Goldstrike and Millstream claim blocks 2% NSR, of which half can be bought back for C\$1.0M.

Table 4.1 presents a list of mineral claims with details of ownership, royalties and expiration dates.

Table 4.1 – List of mineral claims constituting the Nicholas-Denys Project

Claim block	Title Type	Title ID	NTS	Area (ha)	Expiration Date	Ownership	Royalties
Ann's Creek	M	4288	21 P/12	2545	2021-10-23	Canadian Metals Inc. (100%)	2% Au+Ag, 1% other metals, and 1% NSR
Beresford	M	3355	21 P/12	5195	2022-02-18	Canadian Metals Inc. (100%)	3.0% Au+Ag, 2% other metals, and 1% NSR
Goldstrike	M	8175	21 O/09	109	2022-04-12	Canadian Metals Inc. (100%)	2% NSR
Goldstrike	M	9188	21 O/09	196	2021-05-22	Canadian Metals Inc. (100%)	2% NSR
Goldstrike	M	8899	21 O/09	175	2021-11-07	Canadian Metals Inc. (100%)	2% NSR
Goldstrike	M	9478	21 O/09	152	2022-04-13	Canadian Metals Inc. (100%)	2% NSR
Goldstrike	M	9434	21 O/09	131	2022-02-15	Canadian Metals Inc. (100%)	2% NSR

Goldstrike	M	9360	21 O/09	588	2022-01-01	Canadian Metals Inc. (100%)	2% NSR
Goldstrike	M	8971	21 O/09	1001	2021-12-18	Canadian Metals Inc. (100%)	2% NSR
Goldstrike	M	9359	21 O/09	653	2022-01-01	Canadian Metals Inc. (100%)	2% NSR
Millstream	M	8382	21 O/09	609	2021-09-13	Canadian Metals Inc. (100%)	2% NSR
Millstream	M	9458	21 O/09	109	2022-03-13	Canadian Metals Inc. (100%)	2% NSR
Millstream	M	9233	21 O/09	87	2021-07-30	Canadian Metals Inc. (100%)	2% NSR
Millstream	M	9138	21 O/09	609	2022-04-06	Canadian Metals Inc. (100%)	2% NSR
Millstream	M	9139	21 O/09	109	2022-04-06	Canadian Metals Inc. (100%)	2% NSR

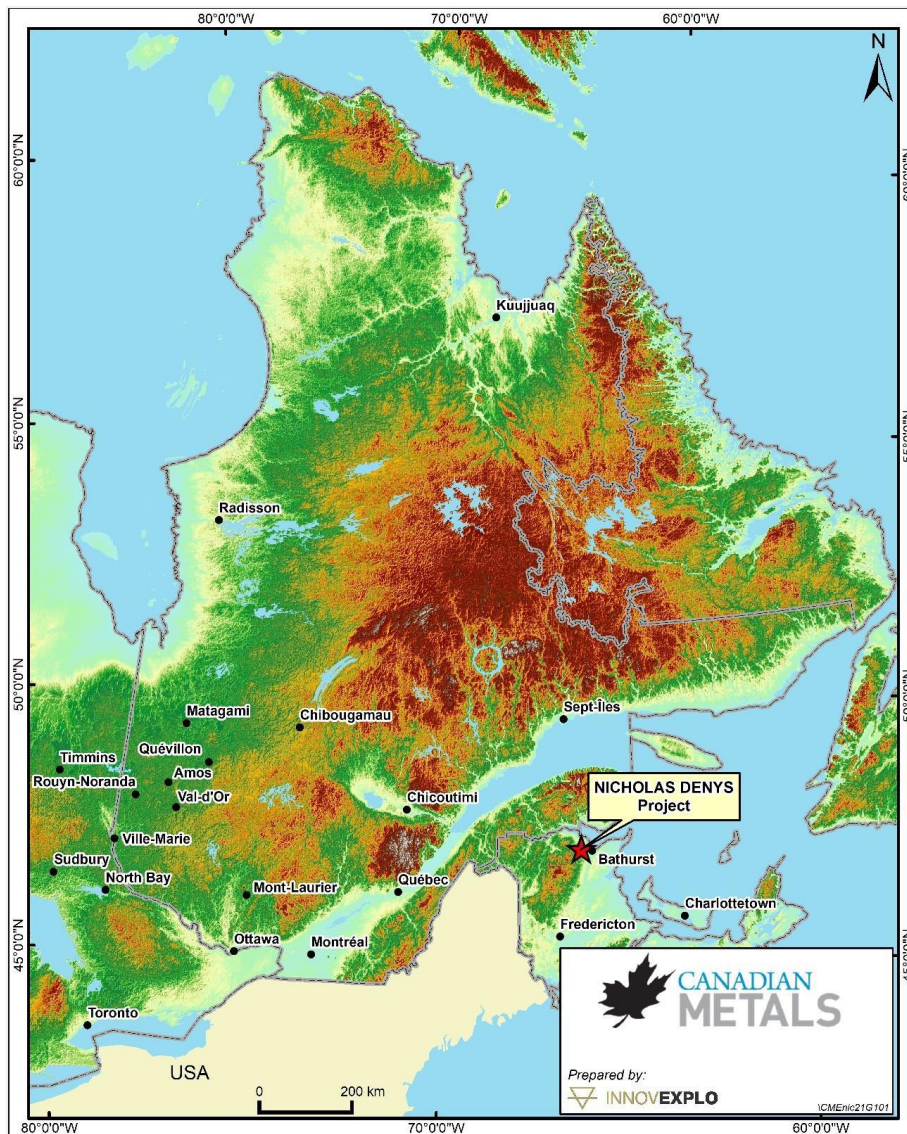


Figure 4.1 – Location of the Nicholas-Denys Project in the Province of New Brunswick

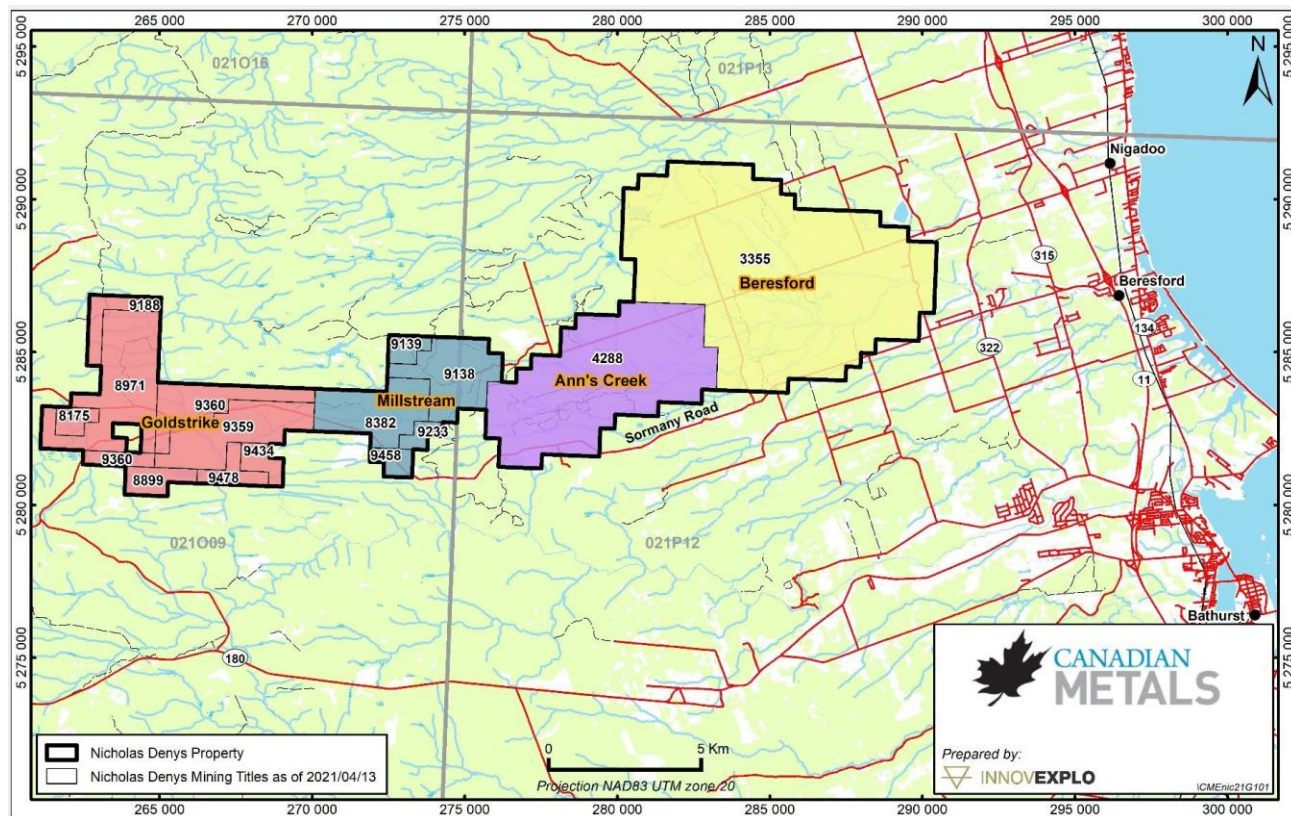


Figure 4.2 – Map of claim blocks comprising the Nicholas-Denys Project

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The main access to the eastern part of the Nicholas-Denys project is located in Gloucester County, northern New Brunswick, approximately 24 km northwest of Bathurst. The Nicholas-Denys project is easily accessible by a combination of paved and gravel roads from the town of Bathurst via Highway No. 11 and the secondary road from Nigadoo to Nicholas-Denys, a total distance of 21 km (Figure 5.1).

The access to the western part of the Nicholas-Denys project is located in Restigouche County, approximately 40 km northwest of Bathurst. The Nicholas-Denys project can be reached from Bathurst via Highway No. 11 and the secondary road from Beresford to the western part, a total distance of 35 km (Figure 5.1).

New Brunswick is under the influence of a typical continental-style climate marked by cold, dry winters and warm, humid summers. According to Environment Canada’s climate data at the nearest weather station (Bathurst A) (climate.weather.gc.ca), the average temperatures are +19.12°C in July and -10.8°C in January. The mean annual temperature is +4.8°C. The lowest recorded temperature was -35.6°C, and the highest was +37.4°C. In this area, the temperature drops below freezing an average of 178.9 days per year. Snow accumulates from mid-October or November to early/mid-May, and freeze-up usually occurs in late December with break-up in March-April. Average annual precipitation indicates a mean rainfall of 122.9 mm, with the highest level of precipitation occurring in October (1,110.1 mm).

Exploration, mining and drilling operations may generally be carried out year-round with some limitations in specific areas. Surface exploration work (mapping, channel sampling) should be planned from mid-May to mid-October.

Bathurst (Figure 5.1) is the closest full-service community and provides infrastructure and skilled manpower. It is an important centre for mining, forestry, fishing and tourism in northern New Brunswick. Electric power is provided by New Brunswick Power. There is an ample supply of water for processing. Water can be sourced from rivers or lakes. There are no mills or concentrators on the Nicholas-Denys project, but the Caribou Mine Mill located approximately 15 km

southeast is a wholly-owned milling and tailings facility (Figure 5.1). A metallurgical complex owned by Brunswick Mining & Smelting is located at Belledune, approximately 40 km from the Nicholas-Denys project.

The Nicholas-Denys project has an extensive cover of Pleistocene glacial sediments ranging from 5 to 117 m thick. Most of the area is covered by swamps and forests composed of spruce, fir and pine. Some areas of the Property have recently been logged and partly revegetated. The minimum and maximum elevations on the Property are 250 masl and 320 masl, respectively.

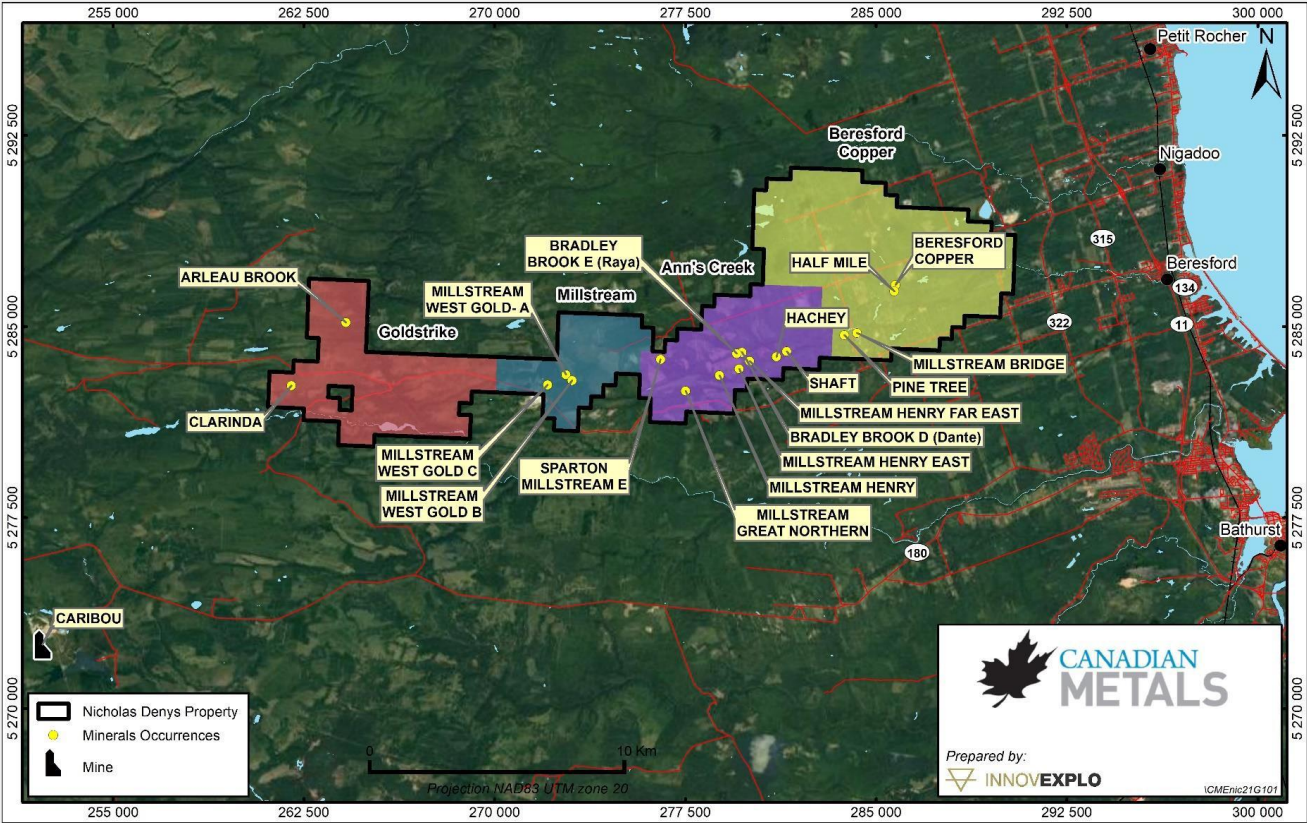


Figure 5.1 – Access and waterways of the Nicholas-Denys Project and the surrounding region

History

The long history of mineral exploration on the Nicholas-Denys project dates back to the discovery of several showings between 1880 and 1890, including the Shaft and Millstream iron showings. Mineral exploration accelerated in the early 1950s, with the discovery of several showings, including Beresford, Pine Tree, Half Mile and Shaft zones.

During the slightly more than three years when M. J. O’Brien Ltd held this ground, the exploration work consisted of 55,811 feet (17,011 m) of diamond drilling, almost 3,000 work days by labourers and staff, 150 miles (241.40 km) of line-cutting, and an electromagnetic (“EM”) survey over 3,840 acres (1,554 ha). These exploration activities led to the discovery of four (4) concentrations of sulphides containing sufficient tonnage and high enough grades to approach economic standards. Grade and tonnage calculations were performed on these mineralized zones by M. J. O’Brien Ltd at the end of 1954, but constitute “historical resources”. The calculations indicated that the Pine Tree deposit contained 105,560 tons at 3.40% Zn, 2.35% Pb and 2.35 oz/t Ag. The Half Mile deposit was estimated to contain 23,450 tons at 3.73% Zn, 3.88% Pb and 2.72 oz/t Ag. The Shaft deposit was evaluated to be 135,400 tons at 4.18% Zn, 2.82% Pb and 4.68 oz/t Ag. Calculations for the Hachey deposit were 59,400 tons at 2.14% Zn, 1.59% Pb, 7.23 oz/t Ag and 0.04 oz/t Au.

The only production from the Ann’s Creek Property area was from the sulphide vein deposits of the Nigadoo Mine, which was discovered in 1953 by Anthonian Mining Corporation (Davies et al, 1967). Total tonnage produced by the time the mine shut down in August 1977 has been reported as 2,049,843 tons grading 0.28% Cu, 2.39% Pb, 2.50% Zn and 3.42 oz/t Ag. Reserves in the A, C and Anthonian veins were estimated to be 926,000 tons at 0.18% Cu, 3.13% Pb, 3.15% Zn

and 3.6 oz/t Ag (Mackenzie, 1986). Much additional exploration work was performed on the Ann's Creek Property following mine closure.

Exploration work continued intermittently on several showings until the early 1990s, including Noranda's Beresford showing. In 1994 and 1995, Nebex conducted several geological and geophysical surveys, including an induced polarization ("IP") survey in the southern part of the Property, covering the Pine Tree, Half Mile, Shaft and Hachey zones. Several chargeability anomalies remain unexplored. In 2005, a heliborne magnetic ("Mag") and EM survey was flown over the Beresford Property. Several anomalies were detected, and most remain unexplored by drilling or trenching.

Figure 26.1 of the TM Technical Report shows the main occurrences on the Nicholas-Denys project.

Ann's Creek and Beresford Claim Blocks

The significant historical work on the Ann's Creek and Beresford claim blocks consists of soil geochemistry, geophysics, prospecting, stripping, trenching and drilling.

The first geology and geochemistry studies in the Ann's Creek Property area and surrounding regions were conducted by the Geological Survey of Canada (Ells, 1881; Young, 1911; Alcock, 1935; Alcock, 1941; Skinner and McAlary, 1952; Skinner, 1953; Skinner, 1956; Smith et al., 1957; Dawson, 1961; Boyle et al., 1966; and Davies et al., 1969). Other descriptions and geological maps were published by the New Brunswick Department of Lands and Mines (Jones and Smith, 1957; Davies, 1959; Jones, 1962). Additional geological studies from around the same time include Holyk (1956) and Smith and Skinner (1958).

The Ann's Creek Property area received much attention from geologists and prospectors from the late 1800s onwards. Skarn-type magnetite deposits were discovered around 1890, and part of the sulphide deposit belonging to Québec Sturgeon River Mines Ltd was found before 1891 (Jack, 1894). Both deposits have been investigated many times since then. Lindeman (1909) and Young (1911) described the magnetite-skarn occurrences, and Alcock (1935, 1941) gave a brief description of the region as a whole. The first comprehensive report on the area was by Mackenzie (1951), who carried out an extensive exploration program in 1949 and 1950 on behalf of the Rocky Brook- Millstream Syndicate.

The Millstream Cu-Fe deposit was discovered in the early 1890s, Lentz et al., 1994. The area was explored and drilled intermittently until 1952, mainly to evaluate its Fe and Cu potential. In 1949, a syndicate of Fredericton businessmen financed nine (9) DDH that delineated two magnetite-rich lenses. One intersection averaged 1.4% Cu and 0.62% Zn over 4.5 m. In 1968, Sullico Mines Ltd drilled 21 DDH, which outlined the 150-m zone of Cu-bearing magnetite-rich skarn with a true width of 2.4 m. The zone averaged 1.2% to 1.5% Cu and 22 g/t Ag to a depth of 150 m (approx. 200 000 to 300 000 tonnes). Molybdenite was identified in two drill sections that assayed 0.56% Mo over 3.4 m in DDH Q-21 and 0.26% Mo over 0.85 m in DDH Q-20. The Beresford Cu skarn, the largest and highest-grade deposit in the area, is located 750 m to the southeast of the surface exposure of the intrusion. In 1952, Beresford Mines Ltd delineated the deposit with soil geochemical and geophysical surveys and continued with diamond drilling in early 1960s. The drill indicated reserves are 616,000 tonnes averaging 1.18% Cu or 220,000 tonnes averaging 1.75% Cu.

Table 6.1 summarizes the work from 1951 to 2020.

Table 6.1 – Historical work on the Ann’s Creek claim block

Year	Company	Description of work / Highlights / Significant results	Ref.
1951-1954	M. J. O’Brien Ltd	<p>Prospecting, geological mapping, trenching, diamond drilling, line cutting, EM survey.</p> <p>Discovery of 4 Zn-Pb-Ag deposits with calculations for grade and tonnage (Shaft, Hachey, Pine Tree and Half Mile).</p> <p>In 1951, the Rocky-Brook-Millstream Syndicate optioned to M. J. O’Brien Ltd the part of the concession comprising the roughly 3.8 miles (6.1 km) to the west of Sormany–</p> <p>Ann’s Creek. Because the concession would not be renewed beyond July 1954, the Rocky-Brook-Millstream Syndicate staked the part of the concession belonging to</p> <p>M. J. O’Brien Ltd and transferred the claims to M. J. O’Brien Ltd according to their agreement.</p> <p>Historical resources: Pine Tree deposit: 105,560 tons at 3.40% Zn, 2.35% Pb and 2.35 oz/t Ag. Half Miles deposit: 23,450 tons at 3.73% Zn, 3.88% Pb and 2.72 oz/t Ag.</p> <p>Shaft deposit: 135,400 tons at 4.18% Zn, 2.82% Pb and 4.68 oz/t Ag. Hachey deposit: 59,400 tons at 2.14% Zn, 1.59% Pb, 7.23 oz/t Ag and 0.04 oz/t Au.</p> <p>Historical “resources” and/or “reserves” should not be relied upon as it is unlikely, they conform to current NI 43-101 criteria or to CIM Definition Standards, and they have not been verified to determine their relevance or reliability. They are included in this section for illustrative purposes only and should not be disclosed out of context.</p>	470417, 470419
1955	Sturgeon River Mines Ltd	Evaluation of an underground development program on the Shaft deposit. Underground program recommended on the Shaft deposit.	470419
1956	Sturgeon River Mines Ltd	Shaft sinking, underground development and underground diamond drilling. Underground operation suspended in August 1957.	470419
1956	Conwest Exploration Co Ltd	Regional airborne Mag and EM survey: some geophysical anomalies.	471335
1962	Sturgeon River Mines Ltd	Surface plant at the Shaft deposit was removed.	470419
1967	Sullico Mines Ltd	IP survey (25.5 line-km) covering the SE part of the Ann's Creek Property): large number of IP anomalies.	470420
1968	Sullico Mines Ltd	Diamond drilling on the Hachey Zone. Best DDH intersection: 2.22% Pb, 3.02% Zn and 6.89 oz/t Ag over 11.45 m (H-6).	470420
1969	Sullico Mines Ltd	Soil sampling survey in the eastern part of the Ann's Creek Property: some soil anomalies.	470421
1971	Sullivan Mining Group	EM survey: some anomalies.	470366
1977	Millstream Mines Ltd	VLF EM survey in the centre of the Ann’s Creek Property; some VLF EM anomalies.	472439, 472484
1978 and 1981	Millstream Mines Ltd	Soil sampling survey: some soil anomalies.	472439, 472484
1982	Millstream Mines Ltd	5 DDH (410 m), one of which intersected the Shaft Zone.	472854, 473010
1983	Millstream Mines Ltd	7 DDH (663 m). Trenching and soil sampling. Best DDH intersection: 3.30% Pb, 2.48% Zn and 7.06 oz/t Ag over 4.60 m (Shaft Zone, hole 3-83).	473010

1987	Lacana Mining Corporation	VLF and Mag surveys. 4 DDH (540 m). Best DDH intersection: 224.9 g/t Ag over 18.5 m (M-87- 1).	473376
1994	Nebex Resources Ltd	Detailed geological mapping, sampling, IP/resistivity and Mag surveys: 9 targets were selected for drill testing.	474508, 474532
1995	Nebex Resources Ltd	5 DDH (2,127 m). Several economically interesting values obtained, but widths were judged too narrow for economic exploitation.	474672
2005	Puma Exploration	Mag and surface Pulse EM surveys executed by Aeroquest. Pulse EM in 2 DDH. Several anomalies detected; most remain unexplored by drilling or trenching.	476360
2006	Puma Exploration	14 DDH (2,394 m) in the Hachey and Shaft zones. Best DDH intersection: 1.18% Zn, 0.43% Pb and 19.88 g/t Ag over 18 m (Shaft Zone, F06-04); 1.13% Zn, 0.78% Pb and 45.4 g/t Ag over 26.9 m (Hachey Zone, F06-03).	Puma Exploration press releases of May 4, 2007 and July 5, 2007
2007	Puma Exploration	Metallurgical testing on the Hachey Zone. Recovery from concentrates was 84.1% Zn, 88.6% Pb, 74.8% Ag and 67.6% Au.	Lascelles and Unger, 2007b
2007-2008	Puma Exploration	120 DDH (24,296 m, 11,835 core samples) drilled by Geominex on the Hachey and Shaft zones. Majority of holes intersected Ag-Pb-Zn-Au mineralization over thicknesses ranging from 3 to 25 m. Best DDH intersection: 0.215% Mo over 4.0 m (F07-09)	476648, 476680
2008	Puma Exploration	MRE: indicated resources of 181,410 t @ 4.45% ZnEq and inferred resources of 167,050 t @ 3.22% ZnEq. These “Resources” are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. It is unlikely they comply with current NI 43- 101 requirements or follow CIM Definition Standards, and their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral resources.	Turcotte and Pelletier, 2008
2009	Puma Exploration	3 DDH (291 m) and surface samples (8): Pine Tree Zone. Best grab sample: 2.97 g/t Ag, 508 g/t Au, 10.3% Pb and 7.8% Zn (sample 912408). Best DDH intersection: 209 g/t Ag, 1.78 g/t Au, 7.1% Pb and 4.4% Zn over 1.0 m (PT09-03).	
2010-2011	Puma Exploration	Geophysical surveys: EM (3.5 km) between the Hachey and Henry zones; InfiniTEM® (19.6 line-km) between the Shaft and Henry zones. 12 anomalies detected.	Bernier and Gagné, 2016

2011	Puma Exploration	<p>Stripping and trenching in the Dante I, Henry-East and Bradley Gold zones. DDH on the Henry and Dante I zones. Trenching: 4,891.9 m and 949 samples. 3 strippings: Dante I (850 m²), Henry-East (65 m²) and Bradley Gold (250 m²). 7 DDH on Dante I and 6 DDH on Henry.</p> <p>Best grab samples in Hachey Zone: up to 1,330 g/t Ag and 17.4 g/t Au. Ag-Pb-Zn showings located between the Hachey and Henry zones.</p> <p>Best channel samples at Cullinan: veins containing high- grade gold and silver, with concentrations of 21.1 g/t Au and 106 g/t Ag in a surface grab sample. 7 samples contain gold grades above 10 g/t Au.</p> <p>Best channel samples in Henry Zone: up to 2,450 g/t Ag and 29.5 g/t Au, and up to 2,090 g/t Ag, 23.3 g/t Au, 47.9% Pb and 11.0% Zn. Discovery of continuous surface Ag and Au mineralization over a strike length of 500 m.</p> <p>Best grab samples in Henry Zone: up to 28.4 g/t Au, 697 g/t Ag and 10% Pb in grab samples. Geological information available shows the Ag-Au-Pb-Zn mineralization along the Rocky Brook–Millstream fault system (“RBMF”) extends over a strike length of 750 m from the Henry lens.</p> <p>Best grab samples in Dante Zone: up to 1,020 g/t Ag and 0.27% Bi.</p> <p>Best DDH intersection at Dante: 44 g/t Ag, 0.67% Pb and 0.69% Zn over 74.5 m, including 194 g/t Ag, 1.31% Pb and 2.06% Zn over 6.6 m (FD11-05)</p> <p>Best DDH intersection at Henry: 4.8 g/t Au, 284 g/t Ag and 16.2% Pb+Zn over 0.25 m (FH11-02).</p>	477647, Puma Exploration press releases of Aug 23, Sept 20, Nov 10, Nov 30, Dec 21 and Dec 8, 2011
2012	Puma Exploration	<p>Trenching and stripping (2,550 m² and 29 samples). Discovery of Raya showing: grades ranging from 0.01 to 16 g/t Au; 5 to 2,590 g/t Ag; 0.01 to 3.41% Cu; 0.2 to 78.5% Pb and 0.1 to 21.6% Zn. 4 DDH (369m) on Dante I; 7 DDH (1,005 m) on Hachey; 7 DDH (634.5 m) on Raya; 13 DDH (1,251m) on Henry- East. Abitibi Geophysics conducted an InfiniTEM borehole survey in FH11-03 and FH12-13, yielding 2 anomalies.</p> <p>Best DDH intersections in Hachey Zone: 1.1 g/t Au over 17.5 m (FHA12-01); 446 g/t Ag, 1.54 g/t Au, 2.2% Pb and 5.8% Zn over 6.4 m, including 820 g/t Ag, 2.70 g/t Au, 3.5% Pb and 3.4% Zn over 3.0 m (FHA12-04)</p> <p>Best grab samples in Raya Zone: up to 2,590 g/t Ag and 16.0 g/t Au. Raya stripping exposed approximately 65 m of a highly altered sulphide zone comprised of lenses, veins and breccia of massive sulphide mineralization located at the contact between the sediments and a gabbro. Best DDH intersections: 5.8 g/t Au over 3.3 m (FD12-08). Best stripping results: between 0.01 to 16 g/t Au, 5 to 2,590 g/t Ag, 0.01 to 3.42% Cu, 0.2 to 78.5 % Pb and 0.1 to 21.5% Zn.</p> <p>Best channel samples in Henry East Zone: 4.45 g/t Au and 196 g/t Ag over 2.8 m (RH12-04). Best DDH intersection: 399 g/t Ag, 1.44 g/t Au, 2.04% Pb and 2.22% Zn over 0.7 m (FH12-01).</p> <p>Best channel samples in Dante Zone: 239 g/t Ag and 1.9% Pb over 6.3 m; up to 1,020 g/t Ag and 0.27% Bi; and 239 g/t Ag and 1.9% Pb over 6.3 m.</p> <p>Best DDH samples in Dante Zone: 111 g/t Ag, 1.2% Pb and 2.42% Zn over 2.7 m and 67 g/t Ag, 6.29% Pb and 4.69% Zn over 2.7 m (FD12-01).</p> <p>Best grab samples in Bradley Zone: gold grades of 43 samples average 2.4 g/t Au and range from 0.03 g/t Au to</p>	477648, Puma Exploration press releases of Jan. 12, Jan 18, Feb. 6, Jul 5, Aug. 29, Oct. 31 and Nov. 15, 2012

		18.4 g/t Au, with 42% of the samples grading over 1 g/t Au.	
2013-2014	Puma Exploration	Stripping on Hachey (3,650 m and 9 samples) and Shaft (4,050 m and 11 samples). Hachey: 2.37 g/t Au, 3,930 ppm Ag, 59.93% Pb and 1.06% Zn (J344869), and massive to semi-massive samples grading up to 7.42 g/t Au, 3,030 g/t Ag, 0.27% Cu, 60.0% Pb and 14.4% Zn were collected at surface at the west end of the Hachey Zone and at the both ends of the Shaft Zone. Best grab sample in Shaft Zone: 1.49 g/t Au, 981 g/t Ag, 12.3% Pb and 6.87% Zn (J344858). Best channel sample in Cullinan Zone: up to 263 g/t Ag, 1.8 g/t Au, 0.9% Zn and 1.0 % Sb. The Cullinan Ag-Au-Zn zone confirmed to be at least 600 m long.	477649, Puma Exploration press releases of Oct 30, 2013 and Sept 18, 2014
2015-2016	Puma Exploration	Prospecting at Pine Tree, Half Mile and Great Northern showings along the South Branch of the Rocky Brook Millstream Fault (“RBMF”) and the Main Break 500 m north of it. Of 100 samples, 50 yielded economic values for Au, Ag, Pb and Zn: best grades of 29% Zn, 14% Pb, 491 g/t Ag and 8.8 g/t Au. Best results: 8.81 ppm Au, 208 ppm Ag, 3.58% Pb and 4.09% Zn (P193606); 0.5 ppm Au, 491 ppm Ag, 14.2% Pb and 0.98% Zn (P193585); 0.95 ppm Au, 175 ppm Ag, 11.05% Pb and 5.33% Zn (P193647); and 0.85 ppm Au, 132 ppm Ag, 3.58% Pb and 29.5% Zn (P193633).	477973 and Puma Exploration press releases of Aug 11, 2016
2020	Targets Minerals Inc.	Rock sampling (43 samples) on the Hachey, Dante West and East strippings, as well as Henry East and Ann’s Creek, by Prospect Or Corp. Several elevated Au, Ag, Zn and Pb values in rocks; highest grades for each metal were 90.8 g/t Au, 3,590 g/t Ag, 27% Zn and 80.6% Pb.	Lavoie and Guitard, 2020

The significant historical work on the Beresford claim block consists of geophysical surveys, prospecting, trenching and drilling. A summary of the exploration work since 2005 is presented in Table 6.2.

Table 6.2 – Historical work on the Beresford claim block

Year	Company	Description of work / Highlights / Significant results	Ref.
2005	Puma Exploration	Prospecting, sampling (112 samples) and drilling 16 DDH (1664 m) to verify the lateral and depth continuity of the Pine Tree and Half Mile Pb-Zn-Ag deposits. Best results: 5.15 g/t Au, 150 m north of Stephen Brook. Between 1.0 and 4.3% Cu in channel samples on the Beresford Copper showing. Highest Pb, Zn and Ag values found at Pine Tree, Halt Mile, Millstream Bridge and Millstream 1.	476168
2007	Puma Exploration	3 DDH (442 m). Best DDH intersections: skarn Cu-Fe 3.22% over 0.25 m (F07-01) and 1.53% over 0.70 m (F07-02). Results explain 2 geophysical anomalies north of the Beresford Copper showing.	476372
2011	Puma Exploration	5 DDH (528 m) and 535 core samples on the Lavigne Brook showing. Best DDH intersections: 321 g/t Ag, 500 ppm Bi, 0.57% Cu and 8.04% Zn over 0.9 m; 45 g/t Ag over 6.6 m, including 95 g/t over 2.4 m (LB11-01); and 109 g/t Ag over 2.3 m, including 138 g/t Ag over 1 m (LB11-01).	477225
2012	Puma Exploration	2 DDH (1,248m) and 1,362 core samples on 2 anomalies in the area: Millstream Iron and Moly mine. Best DDH intersections: 0.18% Cu over 94.8 m, 0.14 g/t Au, 74 ppm Mo and 23 ppm W over 17.1 m (FM12-01); and 112 ppm Mo, 157 ppm Cu over 31.9 m (FM12-02).	477437

2014	Puma Exploration	4 DDH (3,495 m) and 3,727 core samples. Continuity of Cu skarn horizon confirmed between the Millstream and Beresford Copper showings and presence of large near-surface Cu-Mo system also confirmed.	477650
2014	Puma Exploration	15 trenches (1,955 m and 110 samples): trenches TR13-01 to TR13-05 in the SE part of the property and TR13-06 to TR13-15 in the NW. Some IP anomalies verified. Interesting values in 4 of the 5 trenches in the SE sector and 6 of the 10 trenches in the NW sector.	477650
2014	Puma Exploration	Surface IP survey covering 46.7 km and borehole IP surveys in FM12-02 and FND13-03. Surface IP survey detected 15 Priority-1 targets and 8 Priority-2 targets. Borehole IP surveys identified 7 targets: PP-1 to PP-7. The PP-3 and PP- 5 targets suggest "off-hole" mineralization.	477650
2014	Puma Exploration	Re-analysis of Mag data from the Nicholas-Denys Project to produce a model for the Project and interpret the structures and lithologies to generate new targets. Results: 7 new targets for porphyry-type deposits and 2 new targets for massive sulphide-type deposits.	477650
2014	Puma Exploration	3D modelling/inversion of aeromagnetic survey carried out in 2004 on the Nicholas-Denys Property. 3D model of magnetic susceptibility also constructed for the granitic pluton. Magnetic inversion defined the dimensions and dips of strongly magnetic zones at depth.	477650
2014	Puma Exploration	3 DDH (1,014 m) and 910 core samples. Best DDH intersection: 1.0 g/t Ag, 207 ppm Cu and 330 ppm Mo over 522.1 m; 1.81 g/t Ag, 319 ppm Cu, and 627 ppm Mo over 209.1 m; 3.91 g/t Ag, 454 ppm Cu, and 1397 ppm Mo over 18 m; and 0.95 g/t Ag, 210 ppm Cu, 3560 ppm Mo over 2.4 m (FDN14-02) IP borehole surveys (864 m): detection of several anomalies in PND14-02 and FND14-02.	477721

Goldstrike Claim Block

The significant historical work on the Goldstrike claim block consists of geophysical surveys, soil surveys, stripping and drilling. A summary of the work is presented in Table 6.3.

Table 6.3 – Historical work on the Goldstrike claim block

Year	Company	Description of work / Highlights / Significant results	Ref.
1954	God's Lake Gold Mines Ltd	Arleau Brook area: first recorded exploration work in the vicinity of the Arleau Brook occurrence was by God's Lake Gold Mines Ltd (1954) who staked the ground to the west and south of the occurrence.	471748
1956	Fundy Bay Copper Mines Ltd	Arleau Brook area: airborne Mag and EM surveys immediately south and east of the occurrence.	471743
1986	Lacana Mining Corporation	Arleau Brook area: airborne Mag, gradiometer and VLF surveys over a large area. Revealed a large positive Mag anomaly south of URN 1403 and immediately north of the Clarinda gold occurrence (URN 1406). Picked up a series of subparallel, WSW-striking Mag anomalies southwest of the occurrence that probably reflect tectono-stratigraphy rather than mineralization.	473289

1986	Lacana Mining Corporation	Arleau Brook area: Lacana Mining reported regional stream geochemistry results on their Carl Gulch claim group, but no anomalous samples were reported near the occurrence.	473328
1999	Lorenzo Noel Group	Arleau Brook area: prospector Lorenzo Noel staked the property following the discovery of gold-bearing float. Prospecting, rock and soil samples, VLF and Mag surveys, and trenching. Zones of quartz veining within the rhyolite were anomalous in gold. Several anomalous Au assays were reported (best assays: 19,000 and 3,760 ppb Au).	475222
2002	Lorenzo Noel Group	Arleau Brook area: Lorenzo Noel reports on work from the Noel Grid Property, including prospecting, trenching, and rock and soil sampling.	475538
2003	Acadian Gold Corporation	Arleau Brook area: property optioned to Acadian Gold, who conducted a B-horizon soil survey outlining scattered pockets of above- background gold values. Source of gold remains unknown.	475726
1997	SLAM Exploration	Clarinda areas: SLAM Exploration optioned the property in September (assessment report 475114). Prospecting and geological mapping, grid establishment, trenching (15 trenches totalling 1000 m), and soil geochemistry survey. Of the 250 rocks and chip samples collected, approximately 75% returned Au values ranging between 0.25 g/t and 5.11 g/t. Gold mineralization and alteration (quartz, quartz- carbonate, sulphides) associated with favourable rock types near a major fault zone.	475114
1998	SLAM Exploration	Clarinda areas: geophysical surveys including VLF-EM, IP and Mag. 5 subparallel, SE-NW striking IP anomalies, some coincident with As-Au soil anomalies.	475167
2000	SLAM Exploration	Clarinda areas: line cutting, Mag, 15 DDH (1926 m). Drill core sampled and analyzed, as were soil, silt and grab samples from previously excavated trenches. Results of this work show anomalous gold in several drill holes: CL00-3 (17.1 m @ 0.674 g/t Au), CL00-7 (11.5 m @ 0.43 g/t Au), CL00-9 (10.7 m @ 0.626 g/t Au), CL00-11 (5.5 m @ 0.304 g/t Au) and CL00-15 (2 m @ 3.097 g/t Au). Some shorter intervals contain grades of up to 8 g/t Au. The best trench results came from LG-4 and TR98-pit 4, yielding 1 to 8.9 g/t Au from areas where red-brown hematitic (?) alteration is best-developed.	475374
2012-2013	Roland Lovesey	Clarinda areas: D. Mann reported the results of a soil geochemistry survey (2012 assessment report 477395), outlining a number of Au-Ag- As-Sb anomalies spatially associated with felsic volcanic rocks of the Benjamin Formation. Similar work was reported in 2013 (477527). Hole FM12-01 on the Millstream Iron skarn deposit and encountered 0.41% CuEq over 60.5 m.	477395, 477527, Puma Exploration press releases of March 13, 2013

2020	Targets Minerals Inc.	<p>Rock sampling and trenching on Goldstrike. The Clarinda Extension area trench (165 m), contained felsic rocks. Values ranging from 1 g/t Au to 5.80 g/t Au were identified over a distance of more than 116 m.</p> <p>The reopened Clarinda (SLAM) trench, revealed silicified sedimentary rocks with quartz stockwork veining and iron carbonate alteration. 5 of the 7 rock samples collected yielded anomalous gold values, 1 of which graded 1.31 g/t Au.</p> <p>The Arleau Brook area trench (100 m N-S), contained felsic rocks. 17 rocks were analyzed, assays for 9 of them ranged from 32 ppb Au to 201 ppb Au.</p>	Lavoie, 2020
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Millstream Claim Block

Since the early 1950s, the general claim area has seen a great variety of exploration work including prospecting, geological mapping, drilling, shaft sinking and some underground exploration.

The significant historical work on the Millstream claim block consists of soil geochemistry surveys, geophysical surveys, prospecting and drilling. A summary of the exploration work is presented in Table 6.4.

Table 6.4 – Historical work on the Millstream Claim Block

Year	Company	Description of work / Highlights / Significant results	Ref.
1968-1969	North American Rare Metals	Western sector of the present Millstream A block was explored, Main Zone discovered.	474672
1987-1988	Acadia Mineral Ventures Ltd	Millstream B block: drilling (R. F. Mann, 1988-884) focused on arsenic-in-soil anomalies along the baseline. Several holes intersected significant gold mineralization in altered siltstone and diabase, centred on the dyke contacts. Best intersection was 0.32 oz/t Au over 5.0 ft (1.5 m).	473506
1988	Acadia Mineral Ventures Ltd	<p>Sparton-Millstream A block: soil geochemistry survey, geophysical survey, prospecting and drilling. VLF survey picked up a shallow SE- dipping fault zone marked by intense brick-red alteration in drill core. 4 DDH (SM-88-18 to 21)</p> <p>intersected several altered diabase dykes (W. W. Gardiner, 1988d-895). One significant assay in hole SM- 88-21 from an interval with a mafic dyke in a wide fault zone (VLF conductor): 0.125 oz/t Au over 0.9 ft (0.3 m). Most of the gold thought to be contained in a 0.25" to 0.5" wide (0.6 to 1.3 m) vein of massive pyrite and arsenopyrite. A boulder grading up to 0.2 oz/t Au was found about 100 m (328 ft) NE of hole SM-88-20 along the trace of the VLF conductor.</p>	Gardiner, 1988d-89

1988	Acadia Mineral Ventures Ltd	Millstream C block: 15 DDH drilled on the occurrence. Holes MW88-17 to 22, 24 to 28 and BZ88-1 to BZ89- 4 tested an outcrop of diabase dyke containing minor gold values. The location of the dyke is coincident with an arsenic-in-soil response and weak Mag and IP responses. Most holes intersected significant gold mineralization. Individual samples assayed up to 0.71 oz/t Au with the best intersection being 0.114 oz/t Au over 20.8 ft (6.3 m) (hole MW-88- 25).	Gardiner, W.W., 1988a-881 and Gardiner, W.W., 1988c-887
1988	Acadia Mineral Ventures Ltd	Line cutting, prospecting, drilling (4 DDH) and extensive soil geochemistry and Mag and VLF surveys. Soil survey delineated only scattered 1-point or 2-point Au-As in-soil anomalies. VLF survey detected several NE-trending anomalies. Mag survey identified some narrow anomalous zones corresponding to mafic dykes. Holes SM88-17, -28, and -29 and MW88-23 tested an outcrop of diabase dyke containing minor gold values. The location of the dyke is coincident with an arsenic-in-soil response, and weak Mag and IP responses. All holes intersected significant gold mineralization. Individual samples assayed up to 0.993 oz/t Au with the best intersection being 0.1 oz/t Au over 8.1 ft (2.5 m) (hole SM-88-17). Hole MW88-23 was drilled to the west of a hole on the Sparton Millstream claim group, returning assays of ~1 oz/t Au over 1 ft (0.3 m), including 0.315 oz/t Au over 0.5 ft (0.2 m).	473605
1995	Nexbex Resources Ltd	Millstream A block: 5 DDH (2126.7 m) Best values: 2.04% Pb, 5.49% Zn and 1.38 oz/t Ag over 0.52 m; 6.0% Pb, 5.56% Zn and 3.18 oz/t Ag over 0.34 m; and 8.49% Zn over 0.48 m (hole MS-95- 1) All targets tested contained quartz vein systems bearing Pb, Zn, Ag (+ minor Au), some containing economic values of Zn and Ag. Mineralized widths were narrow.	474672

Geological Setting, Mineralization and Deposit Types

Regional Geology

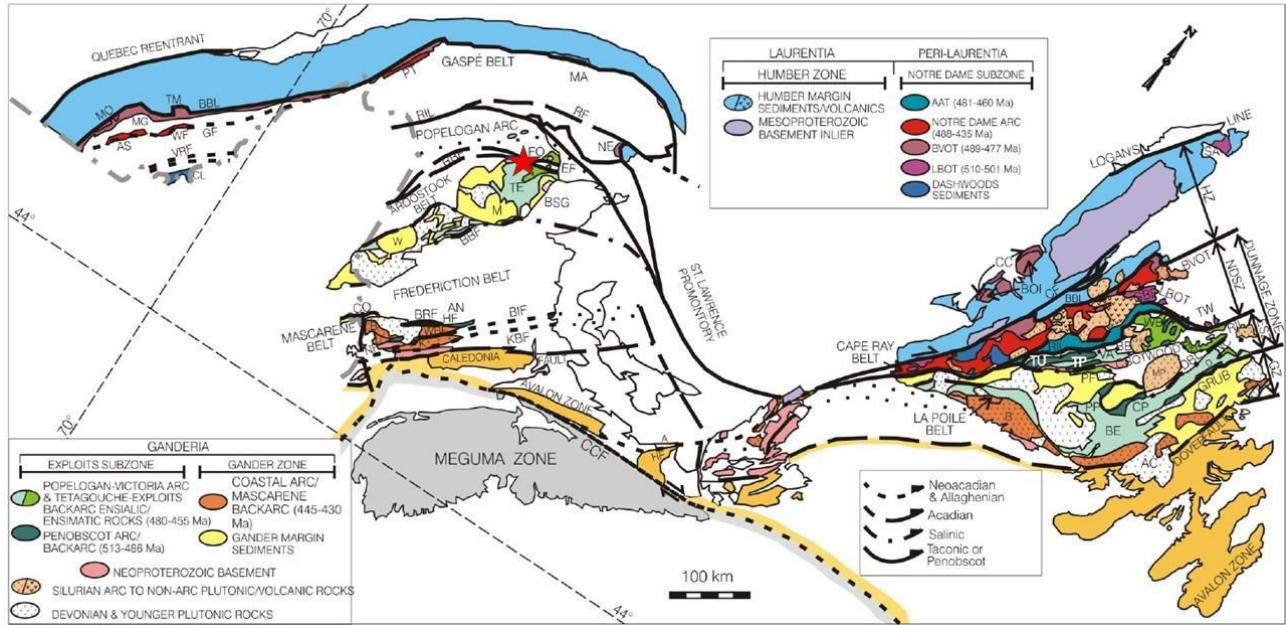
The Nicholas-Denys project is located in the Canadian Appalachians, which stretch from the northernmost tip of Newfoundland through Nova Scotia, Prince Edward Island and New Brunswick, and into southern Québec (Figure 7.1). The geology of the Canadian Appalachians records the opening and closing of the early Paleozoic Iapetus Ocean and the collision and accretion of island arcs and micro-continents that populated the Iapetus Ocean between Laurentia and Gondwana. The order and timing of terrane accretion and deformation events are in large part established by stratigraphic, paleontological, and structural studies of successor basins that link major elements of the orogen. The Canadian Appalachians, based on Early Paleozoic and older geological elements, have been subdivided into tectono-stratigraphic zones and subzones. From west to east, these are the Humber, Dunnage, Gander, Avalon and Meguma zones. The Nicholas-Denys project is in the Gander zone (Figure 7.1).

The Humber Zone (Figure 7.1) represents the leading edge of the Laurentian margin and is mainly underlain by Late Neoproterozoic to Ordovician rocks deposited on Grenvillian crystalline basement as a result of rifting and passive margin development. The Humber Zone is structurally divided into external and internal domains. The external domain consists of unmetamorphosed to very low metamorphic grade rocks forming an east- dipping imbricated stack of nappes. The internal domain consists of polydeformed greenschist- to amphibolite-grade metamorphic rocks characterized by complex folding and faulting. The western boundary of the Humber Zone is the Appalachian structural front. The eastern limit of the Humber Zone is represented by the Baie Verte–Brompton Line (Figure 7.1; BBL). The Baie Verte–Brompton Line is a major fault zone that separates the Humber Zone from the Dunnage Zone.

The Dunnage Zone (Figure 7.1) mainly contains the remnants of a Cambro-Ordovician infant arc and more mature arc terranes that existed within the Iapetus Ocean. The Dunnage Zone records the development and accretion of Cambro-

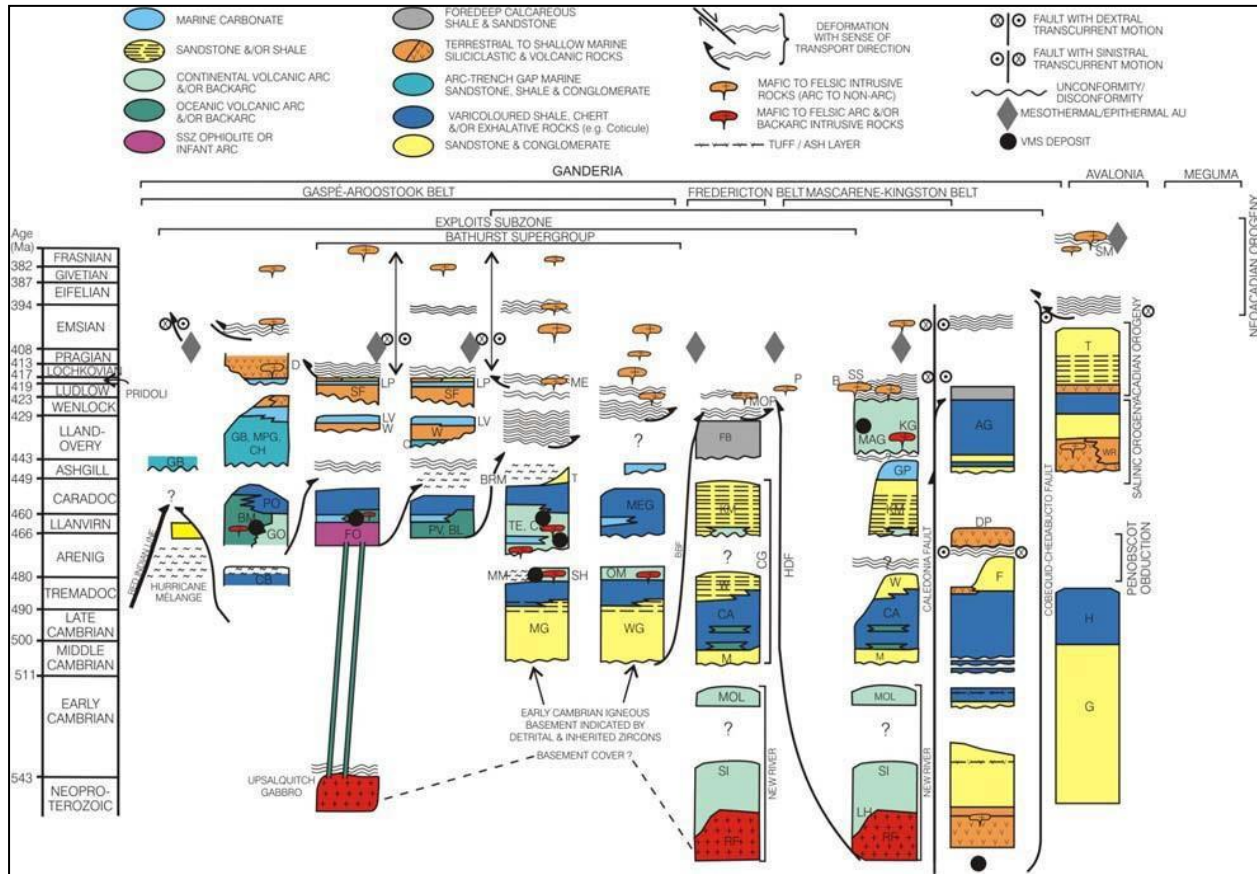
Ordovician terranes, such as ophiolites, volcanic rocks, and deep marine sediments. The Dunnage Zone was deformed during the Acadian Orogeny and is characterized by very low to low-grade metamorphism.

The Gander, Avalon, and Meguma zones (Figure 7.1) represent peri-Gondwanan microcontinents (Ganderia, Avalonia and Meguma, respectively) that were sequentially accreted to Laurentia during the Middle Paleozoic (450-380 Ma). The Gander Zone (Figure 7.1 and Figure 7.2) comprises a distinct sequence of Lower Cambrian to Tremadoc (520-480 Ma) arenites, siltstones, and/or shales, generally considered to represent the outboard part of a passive margin (Gander margin).



Note: AAT: Annieopsquotch accretionary tract; AC: Ackley granite; AN: Annidale belt; AS: Ascott Complex; B: Burgeo batholith; BB: Badger belt; BBF: Bamford Brook fault; BBL: Baie Verte Brompton Line; BE: Baie d'Espoir Group; BIF: Belleisle fault; BOI: Bay of Island Complex; BVOT: Baie Verte oceanic tract; BRF: Basswood Ridge fault; BSG: Bathurst Supergroup; CB: Cripple Back-Valentine Lake plutons; CC: Coastal Complex; CCF: Cobequid-Chedabucto fault; CF: Cabot fault; CL: Chain Lakes Massif; CO: Cookson Group; CP: Coy Pond Complex; D: Davidsville Group; DBL: Dog Bay Line; EF: Elmtree fault; ESZ: Exploits Subzone; EX: Exploits Group; FO: Fournier Group; GBF: Green Bay fault; GF: Guadeloupe fault; GRUB: Gander River ultrabasic belt; GZ: Gander Zone; HF: Hollow fault; HH: Hodges Hill Pluton; HZ: Humber Zone; K: Kingston belt; KBF: Kennebecasis fault; LBOT: Lushs Bight oceanic tract; M: Miramichi Group; MA: Mont Albert ophiolite; MG: Magog Group; MO: Mount Orford ophiolite; MP: Mount Peyton pluton; NC: Noggin Cove Formation; NE: Neckwick Formation; NDSZ: Notre Dame Subzone; NR: New River Belt; PF: Pine Falls Formation; PP: Pipestone Pond Complex; PT: Pointe aux Trembles Formation; RBF: Rocky Brook-Millstream fault system; RF: Restigouche fault; RIL: Red Indian Line; SA: St Anthony Complex; TE: Tetagouche Group; TM: Thetford Mines ophiolite; TP: Tally Pond Group; TU: Tulks Group; TW: Twillingate trondhjemite; VA: Victoria arc; VRF: Victoria River fault; W: Woodstock Group; WB: Wild Bight Group; WBF: Wheaton Brook fault; WF: Weedon Fromation.

Figure 7.1 – Tectonic map of the Canadian Appalachians showing the Early Paleozoic tectono-stratigraphic zones, subzones and other major tectonic elements (from van Staal, 2007)



Note: AG: Arisaig Group; BBF: Bamford Brook fault; BL: Blueschist nappe; BM: Bald Mountain volcanic sequence of Winterville Formation (Maine); BRM: Belledune River mélange; C: Clemville Formation; CA: Calais Formation; CB: Chase Brook Formation (Maine); CG: Cookson Group; CH: Chaleurs Group; CL: California Lake Group; D: Dalhousie Group; DP: Dunn Point volcanics; F: Ferrona Formation; FB: Fredericton Belt sequence; FO: Fournier Group; G: Goldenville Group; GB: Grog Brook Group; GO: Goulette Brook Formation; GP: Goss Point Formation; H: Halifax Group; HDF: Honeydale fault; KBF: Kennebecasis fault; KG: Kingston Group; KM: Kendall Mountain Formation; LB: Lawson Brook schist; LP: La Plante Formation; LV: La Vieille Formation; M: Megunticook Formation; MAG: Mascarene Group; ME: Mount Elisabeth pluton; MEG: Meductic Group; MG: Miramichi Group; MM: Miramichi mélange; MOL: Mosquito Lake Formation; MOP: Mohannes pluton; MPG: Matapedia Group; OM: Oak Mountain Formation; P: Pocmoonshine gabbro; PO: Popelogan Formation; PV: Pointe Verte Formation; RF: Ragged Falls pluton; SF: Simpsons Field Formation; SH: Sheephouse Brook Group; SI: Simpsons Island Formation; SM: South Mountain batholith; SS: St. Stephen gabbro; T: Tomogonops Formation; TE: Tetagouche Group; TO: Torbrook Group; W: Woodland Formation; WE: Weir Formation; WG: Woodstock Group; WR: White Rock Formation.

Figure 7.2 – Summary of the tectono-stratigraphic evolution of the Exploits Subzone, and Gander and Avalon zones in Maritime Canada and Maine (modified from van Staal, 2007)

The Avalon Zone (Figure 7.1 and Figure 7.2) mainly comprises a distinctive belt of Neoproterozoic, largely juvenile, arc-related, volcano-sedimentary sequences and associated plutonic rocks that underwent a long-lived tectonic history, including orogenesis before deposition of a Cambrian-Ordovician shale rich platform sedimentary succession. The Meguma Zone is the most outboard terrane in the Canadian Appalachians. The oldest exposed part of the Meguma Zone comprises a thick (<10 km) Cambrian to Early Ordovician turbiditic sandstone-shale sequence of the Goldenville Group, which was largely deposited on the continental rise and/or slope to the outer shelf of a Gondwanan passive margin. Goldenville Group is overlain by the lower Ordovician Halifax Group, which represents a shoaling succession. The Meguma Supergroup (Goldenville and Halifax Groups) is unconformably overlain by the Upper Ordovician to Early Devonian, dominantly shallow marine shelf siliciclastic sedimentary rocks of the Annapolis Supergroup. Rift-related bimodal volcanic rocks of the late Ordovician-Lower Silurian (442-438 Ma) White Rock Group occur at the base of the Annapolis Supergroup. These rift-related volcanic rocks may be related to the onset of rifting and departure of Meguma from Gondwana.

Local Geology

The Nicholas-Denys project is also located in the Bathurst Mining Camp (“BMC”). The BMC is made up of several different tectonic blocks and slivers: the Fournier, California Lake, Tetagouche and Sheephouse Brook blocks and the blueschist and Bamford Brook slivers (Figure 7.3 and Figure 7.4). Based on the Arenig-Caradoc volcanic history of the blocks and slivers, and the geochemical composition and physical characteristics of their constituent volcanic rocks, the blocks in the BMC have been interpreted as the remnants of extended continental, transitional, and oceanic crust, which formed part of a Japan Sea-style back-arc basin (Tetagouche-Exploits basin). The blocks and slivers preserved in the BMC were structurally juxtaposed during the Late Ordovician-Early Silurian closure of the Tetagouche-Exploits basin.

The Tetagouche-Exploits basin formed in response to protracted rifting of the Popelogan arc that started in the middle Arenig; this led to late Arenig-Caradoc seafloor spreading in parts of the Tetagouche-Exploits back-arc basin. The rifting responsible for the California Lake block (ca. 472-468 Ma) took place before the rifting of the Tetagouche (ca. 467-465 Ma) and Sheephouse Brook blocks (ca. 466-464 Ma). These three blocks have ensialic to transitional crust and share a similar pre-Arenig basement consisting of Miramichi Group deep water sandstones and shales. Oceanic to transitional back-arc crust is preserved in the Fournier block and blueschist and Bamford Brook slivers.

Massive sulphide deposits in the BMC (Figure 7.4) mainly occur in the California Lake, Tetagouche and Sheephouse Brook blocks. Massive sulphides were deposited during most stages of intra-arc extension and subsequent back-arc basin formation. Deposition was most abundant during the late Arenig arc extension in the Tetagouche block and during coeval, early stages of arc rifting in the California Lake block.

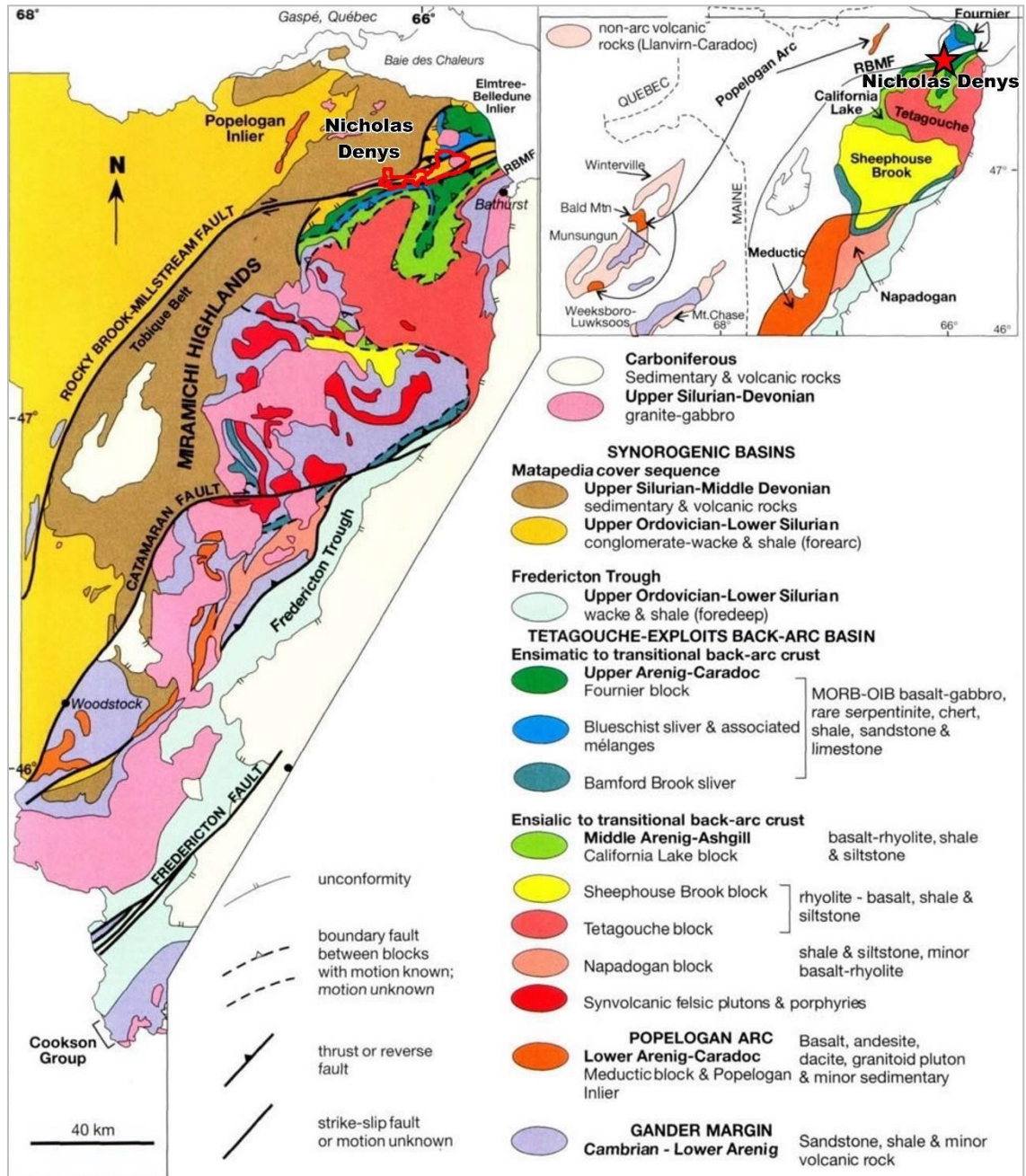
The deformation history of the BMC is polyphase, complex and long-lived. The penetrative polyphase ductile deformation (D1–D4) experienced by all rock units of the BMC started in the Late Ordovician (Ashgill) and lasted until the Late Devonian. The present distribution of the rocks, including massive sulphide deposits, is mainly controlled by D1 and lesser extent, D2 structures. D1 strain varies considerably and is invariably localized in thrust-related shear zones. Where massive sulphide deposits are affected by these shear zones, such as most Caribou type deposits in the Spruce Lake nappe, the strain has generally transformed them into very thin and long sulphide bodies. The S1 fabric is a composite structure and related to the formation of several generations of ductile thrusts and tight to isoclinal folds. The relationships between F1 folds and D1 thrusts are complex. The D1 structures comprise at least two generations of folds.

It is possible that D1 and D2 structural events represent a continuum in each tectonic block. If correct, the diachronous nature of D1 and hence also D2 between blocks may cause overprinting of D2 structures of an already accreted block by the younger D2 structures of subsequently accreted blocks. In such a scenario, the correlation of D1 and D2 structures between blocks on the scale of the Bathurst Mining Camp is tenuous.

The F3 recumbent folds and kinks variably overprinted the D1 and D2 structures. Where vertical D3 shortening strain was high, the steeply dipping structures were transposed into D3 flat belts. Flat belts thus represent areas with significant vertical, ductile thinning. Where D3 strain was low, the rocks preserved their overall steep attitude, despite being thrown into open recumbent folds.

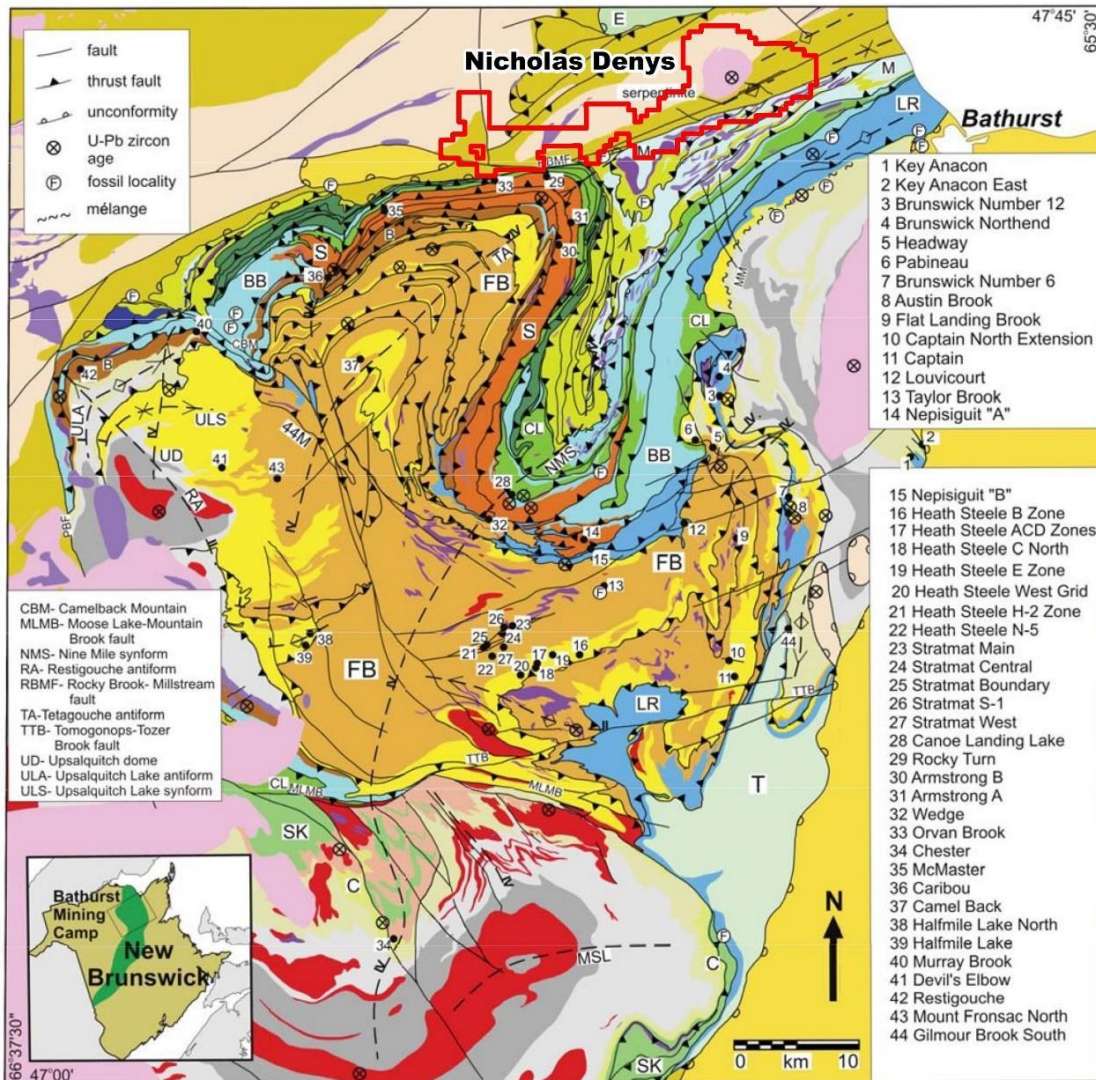
The youngest penetrative deformation in the BMC (D4) is kinematically associated with a regional dextral transpressive regime that became progressively localized into discrete brittle-ductile faults, the most important system being the Rocky Brook–Millstream fault zone (“RBMF”). The fault splays of the RBMF generally have a steep southerly dip and a moderately to steeply northeast-plunging stretching lineation. The lineation is generally best developed where the Chaleurs Group conglomerates and limestone have been affected by RBMF-related deformation. Shear bands,

asymmetrical boudinages and sigmoidal tension gashes indicate that the RBMF mainly accommodated oblique, dextral reverse movements, uplifting the BMC with respect to most of the adjacent Chaleurs Group.



(from van Staal et al., 2003)

Figure 7.3 – Map showing the geology of central New Brunswick and adjacent Maine



(Adapted and modified from van Staal et al., 2003)

Figure 7.4 – Map showing the geology of the central Bathurst Mining Camp with distribution of major structures and massive sulphide deposits

Project Geology

The Nicholas-Denys project overlies the contact between the Ordovician Fournier Block to the south and the Silurian Matapedia cover sequence (Chaleurs Group) to the north (Figure 7.3 and Figure 7.4). The Nicholas-Denys project area is also characterized by the presence of the RBMF, a major regional-scale structure that traverses the entire Property at the contact between the two groups. Over 20 m of overburden have been recorded in certain areas of the Nicholas-Denys project.

Fournier Block

The Fournier Block consists of the Upper Neoproterozoic to lower Cambrian Upsalquitch gabbro (ca. 554-543 Ma), and the Lower to Middle Ordovician mafic igneous and sedimentary rocks of the Fournier Group (Figure 7.3, Figure 7.4, Figure 7.6 and Figure 7.7). The Fournier Group consists of the ophiolitic Sormany Formation and the overlying sedimentary rocks of the Millstream Formation. The mafic igneous rocks include oceanic pillow basalts with compositions ranging between mid-ocean ridge basalts (“MORB”) and island arc basalts (“IAB”), synvolcanic gabbro and minor serpentinite of the Sormany Formation. Most of the Fournier Group preserved in the Bathurst Mining Camp probably represents transitional rather than true back-arc oceanic crust.

The Sormany basalts are overlain by and locally interlayered with shale, sandstone and minor limestone of the Millstream Formation (Figure 7.4). Tectonism during Ashgill time, and an unconformity between the Fournier Group and overlying late Llandovery to Lower Devonian sedimentary rocks of the Chaleur Group (Figure 7.6), suggest that the Fournier Group was deposited mainly before the Ashgill. The Sormany and Millstream formations are mostly composed of late Arenig to Caradoc rocks.

The Millstream Formation is made up of black to dark grey shale interbedded with minor green-grey and grey siltstone and very fine- to coarse-grained sandstone that occurs in the upward-fining sequences. The Millstream wackes, arkoses and rare conglomerates contain abundant felsic to intermediate volcanic clasts and quartz-feldspar phenoclasts. These clasts indicate proximity to a felsic to intermediate volcanic source, probably the Popelogan arc. The IAB compositions of some Fournier Group basalts also suggest proximity to the arc. Accordingly, van Staal et al. (2003) interpreted the Fournier Group as a remnant of transitional to oceanic crust that formed near the active margin of the Tetagouche-Exploits back-arc basin after the California Lake block had rifted off the Popelogan arc during the late Arenig. The isolated limestone lenses in the Millstream Formation may be large rafts of limestone that moved downslope from reefs situated around the exposed parts of mafic volcanoes or may represent large exotic blocks in a mélangé. The Fournier and California blocks are separated by a poorly exposed but highly deformed shale mélangé containing small blocks of basalt, limestone and sandstone.

Chaleurs Group

The Chaleurs Group (Figure 7.6 and Figure 7.7) is restricted to the northern part of the Chaleur Bay synclinorium (Figure 7.5), a northeasterly trending belt of Siluro-Devonian rocks extending from western New Brunswick to southern Gaspé. This belt lies between the Aroostook-Percé anticlinorium to the west and the Miramichi terrane (Miramichi Highlands) to the east. The Popelogan, Elmtree and Macquereau-Mictaw inliers are largely composed of Ordovician sedimentary and volcanic rocks lying unconformably beneath the Chaleur Group.

The internal stratigraphy and nomenclature of the Chaleur Group vary from one locality to another in the Chaleur Bay synclinorium. In northern New Brunswick, it generally comprises, in ascending stratigraphic order: (1) lower clastic rocks, (2) a lower limestone unit, (3) middle clastic and/or volcanic rocks, (4) an upper limestone unit, and (5) upper clastic rocks. In the Project area, the lower limestone is referred to as the La Vieille Formation and the upper limestone as the LaPlante Formation. The lower, middle and upper clastic rocks are represented by the Weir, Simpsons Field and Free Grant formations, respectively. The Weir and La Vieille formations are relatively restricted in distribution, occurring intermittently along the RBMF in the Project area.

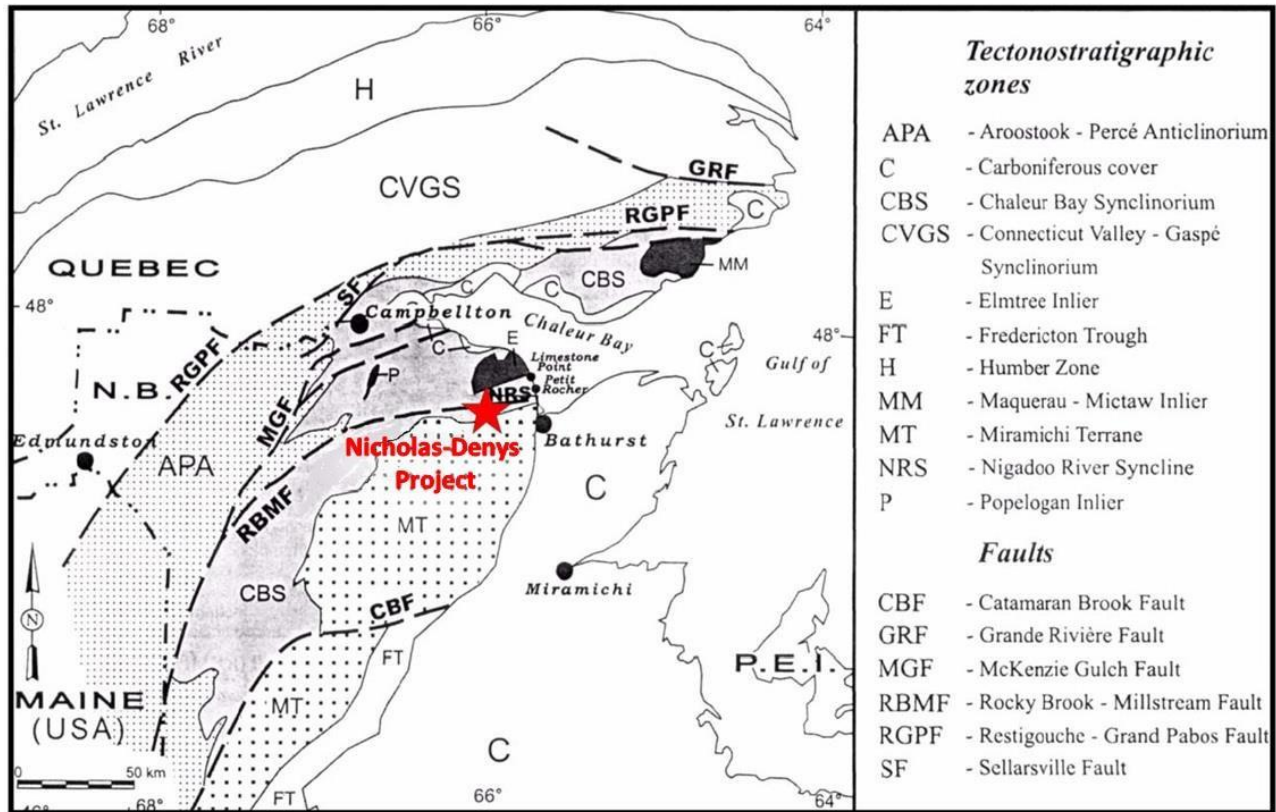
The Simpsons Field Formation is exposed in a narrow belt along the margin of the Miramichi terrane (Figure 7.6). In the Project area, the predominant rock type is a pebble conglomerate that lies unconformably over the polydeformed Ordovician rocks. The clasts in the conglomerate include mafic and felsic volcanic rocks, gabbro, chert, quartz, jasper, granitoids and feldspar porphyry, all of which generally reflect the nearby underlying rocks. On the Project area, the Simpsons Field Formation is predominantly turbiditic sandstones and appears to conformably overlie La Vieille limestone that is intermittently exposed along the RBMF (Figure 7.6). The contact with the underlying La Vieille Formation is reportedly conformable in some areas and unconformable in others. The Simpsons Field Formation is

conformably overlain by the Pridolian LaPlante Formation in most areas.

The LaPlante Formation can be subdivided into proximal and distal facies (Figure 7.6). It consists of dark grey fossiliferous bindstone and thinly bedded wackestone, interbedded with greenish-grey calcareous siltstone and shale. The La Plante Formation conformably overlies the Simpsons Field Formation and is conformably overlain by the Free Grant Formation.

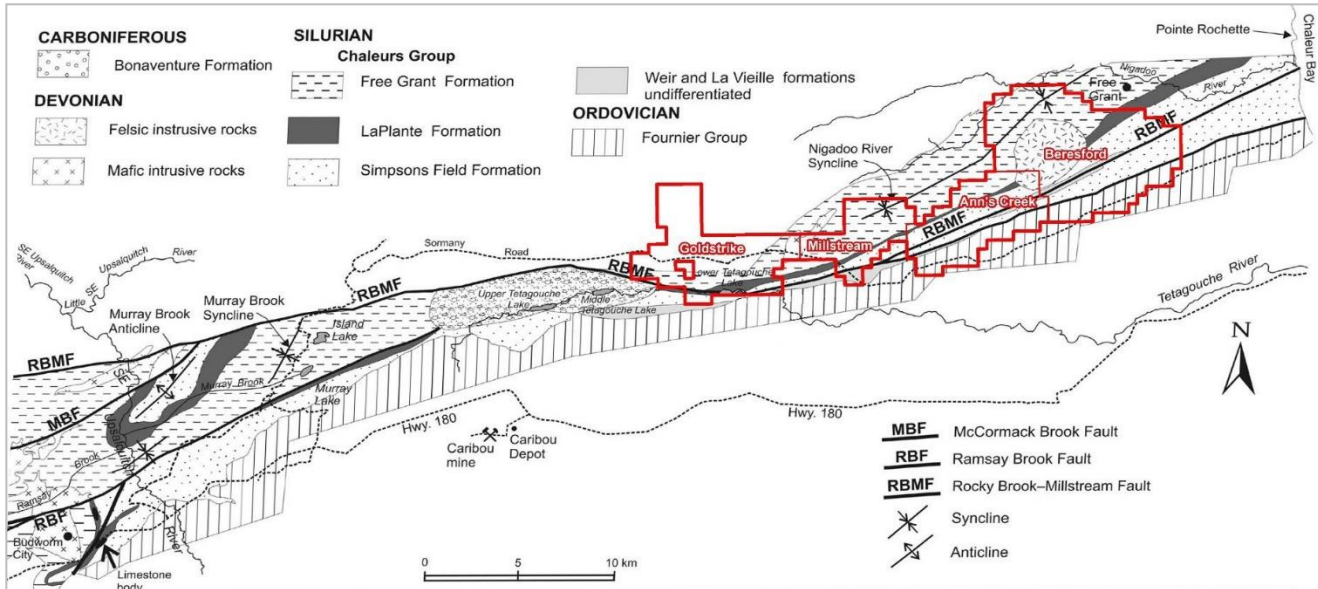
The Free Grant Formation comprises thinly bedded, ripple-laminated sandstone interlayered with medium (20-30 cm), non-calcareous, greenish-grey mudstone and minor red shale in the Property area (Figure 7.6). The Free Grant Formation is considered Late Silurian to Early Devonian in age.

The La Vieille and Weir formations (Figure 7.6) are relatively restricted in their distribution in the Property area, occurring intermittently along the RBMF.



(Adapted and modified from Wilson et al., 2005; Dimitrov and McCutcheon, 2007)

Figure 7.5 – Simplified map showing the location of the Chaleur Bay synclinorium (light grey) in the northern New Brunswick and southern Gaspé regions



(Adapted and modified after van Staal et al. 2003; Dimitrov et al., 2004; Dimitrov and McCutcheon, 2007)

Figure 7.6 – Simplified map showing the distribution of the Chaleurs Group rocks along the Rocky Brook– Millstream fault system (RBMF)

Devonian intrusion

The volcano-sedimentary sequence in the Project area is intruded by the molybdenite-bearing Nicholas-Denys granodiorite, dated at 381 ± 4 Ma (Davies et al. 1969; Walker et al. 1991). The intrusion's contact metamorphism aureole has been recognized up to at least 1 km to the south and southeast of the mapped intrusion.

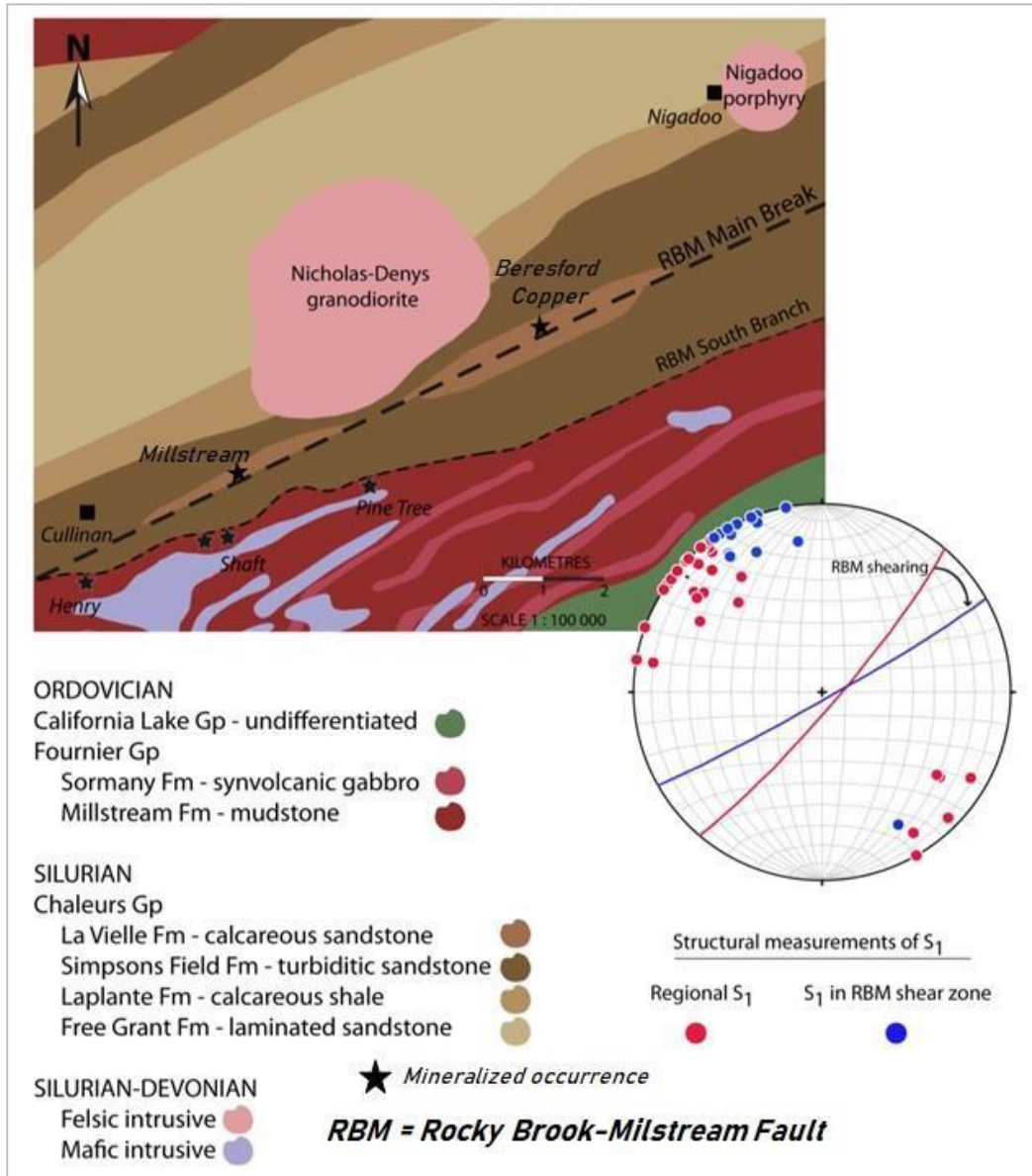
Structural geology

It is generally accepted that the rocks of the Chaleurs Group were deformed during the Acadian Orogeny, which culminated in Middle Devonian time. However, new evidence indicates that at least some deformation in older parts of the Chaleurs Group is related to the Salinic Disturbance, which culminated in Late Silurian time. In the Project area, the rocks have been affected by both folding and faulting.

Two sets of faults cut Silurian rocks in northern New Brunswick: an older northeast-trending set and a generally younger northwest-trending set. The northeastern set defines prominent lineaments on aerial photographs and remote sensing images. However, the actual fault surfaces have rarely been observed. Most of these faults are characterized by bedding-parallel, subvertical shear surfaces that accommodated displacement in limbs of F2 folds parallel to the overall Acadian extensional direction. The northwest-trending faults are poorly represented on airborne images, and their ages are not well constrained. Some of them may be Reidel shears conjugate to the large northeast or even younger strike-slip motion.

The RBMF forms the break between the Tobique and Chaleur subzones of the Chaleur Bay Synclinorium and, further southeast, constitutes the tectonic contact between the Chaleur Bay Synclinorium and the Aroostook-Percé Anticlinorium. Silurian stratigraphy of the Chaleur Group shows marked contrasts on opposite sides of the fault. However, the sequence of Simpsons Field–LaPlante–Free Grant strata observed south of the fault is also observed north of the fault, farther east, allowing the post-Silurian dextral displacement to be estimated at 30 km. Most of the displacement occurred prior to 380 Ma due to the limited displacement (< 1 km) observed for the Nicholas-Denys granodiorite (381 ± 4 Ma). Stratigraphic evidence implies that the RBMF was active during (Ludlovian) deposition of the Simpsons Field Formation and controlled the deposition of the Chaleurs Group in the southeast.

The RBMF splays into two parallel structures at the scale of the Project (Figure 7.7). The northern branch, also known as the Main Fault, coincides with the centre of the Simpson Field Formation, and the one following the contact between the Ordovician and Silurian volcano-sedimentary packages is known as the South Branch.



(Adapted and modified from Deakin, 2011)

Figure 7.7 – Simplified map showing the splays of the RBMF in the Project area

Mineralization

There are over a hundred mineral occurrences reported in the Project, and these include several metal associations such as Zn-Pb-Ag-Au, Cu, Au, Fe, Fe-Cu, Mo and Mo-Cu. Figure 7.8 shows the mineralized areas or zones of the Project that saw the bulk of the exploration work, including trenching, drilling and underground exploration.

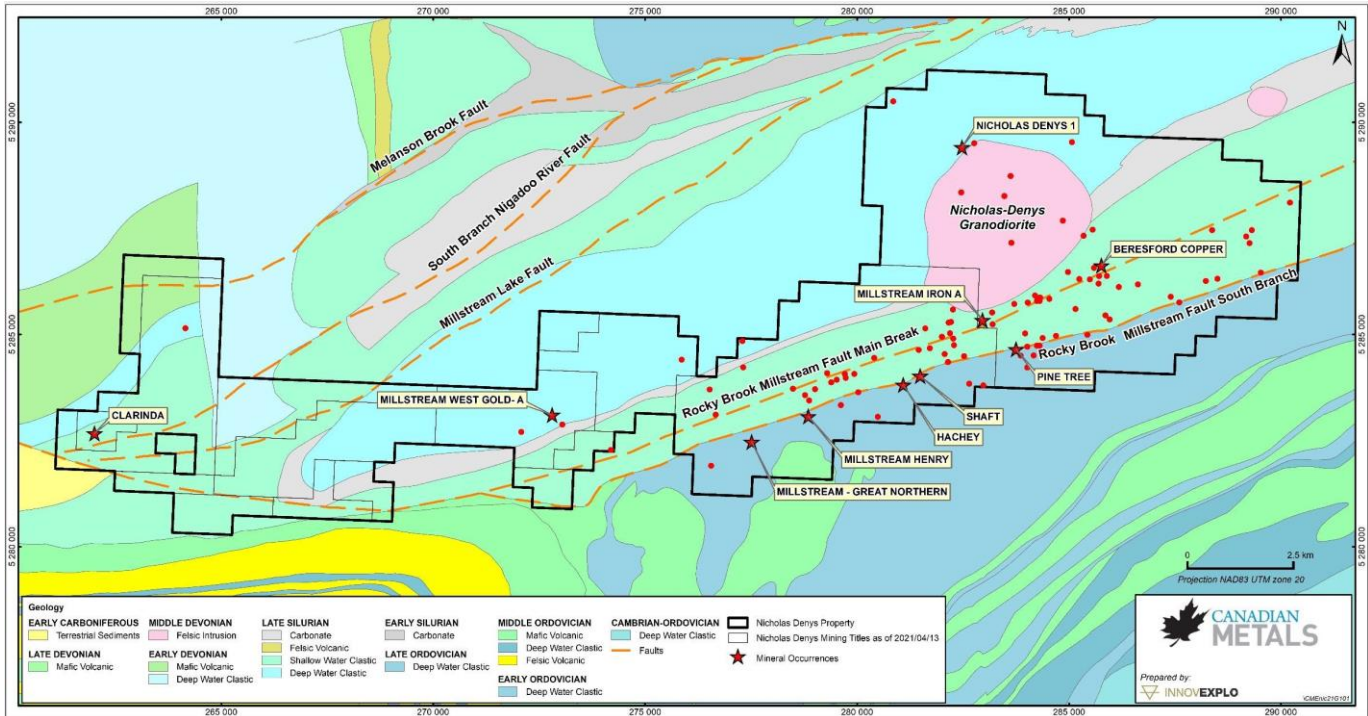


Figure 7.8 – Map of mineral occurrences on the Project. The most important, those that have been the subject of the most advanced exploration work, are named. The position of the Rocky Brook–Millstream fault system (“RBMF”) is approximative.

Hachey and Shaft

The Hachey (a.k.a. Haché) and Shaft zones occur along the South Branch of the RBMF, which forms the break between the Silurian rocks of the Chaleur Bay Group and the Ordovician Fournier Group (Figure 7.8). This fault trends approximately N080 and appears to have a steep dip to the south. Drag-folds and distortion of minor fold axes near the fault indicate dextral strike-slip movement (Davies et al., 1969). The rocks in the vicinity of the Hachey and Shaft zones consist of dark grey phyllite, schist and argillite with minor greywacke (Davies et al., 1969). A few thin dykes of feldspar porphyry cut these rocks in places, but none were observed in or near the Hachey and Shaft zones. Due to severe faulting, the sedimentary rocks are now mylonites, breccias and schist, almost totally lacking in primary structures. Less deformed rocks farther removed from intense deformation exhibit graded bedding, which indicates the presence of several highly compressed isoclinal folds (Davies et al., 1969). The Shaft Zone lies just northeast of the junction of a major fault and a northwest-trending fault, and the Hachey deposit lies about 300 m southeast of this junction (Davies et al., 1969).

The sulphides in the Hachey and Shaft zones have two characteristic forms:

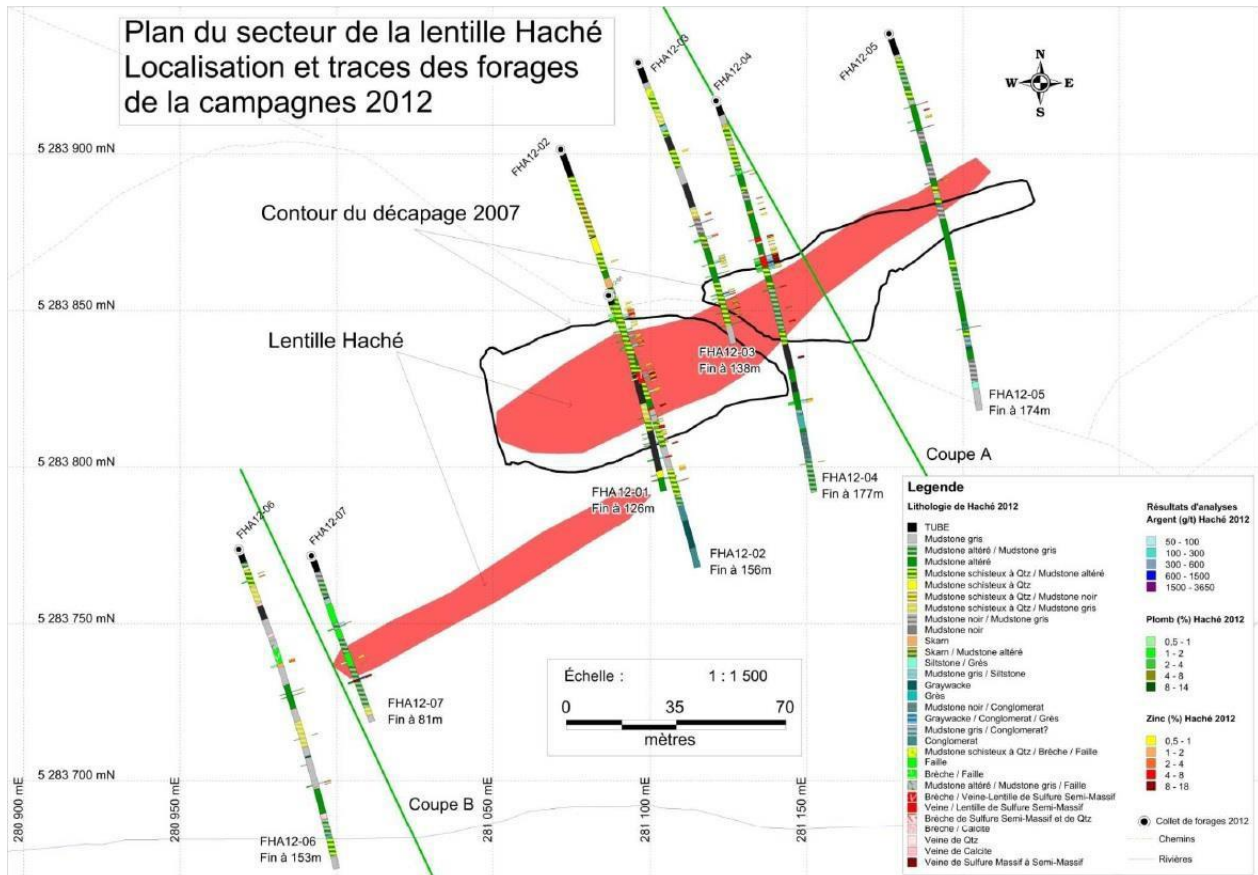
1. A broad zone of sparsely disseminated grains and thin seams of pyrrhotite and pyrite with very minor amounts of sphalerite and galena.
2. Concentrations of sphalerite and galena veins enclosed within the broad zone described in (1) above. In places, these vein concentrations constitute ore shoots.

The broad zones of pyrite and pyrrhotite are irregular and lenticular bodies up to 300 m long, less than 1 to 10 m wide and down to approximately 150 m vertical depth (Figure 7.9 and Figure 7.10). At the Hachey Zone, up to nine (9) lenses (broad zones) were interpreted based on visible sulphide content in drill core. Individual zinc-lead sulphide veins in the broad zones are narrow, commonly 10 cm to 1 m wide, but local vein concentrations occur over widths of 1.5 to 5 m. At the Shaft Zone, the local vein concentrations constituting the ore shoots are continuous, but individual veins pinch, swell and bifurcate throughout the length of the shoots. The lenses of the Hachey Zone consist of semi-massive to massive sulphide veins and/or quartz-sulphide stringers, included in a broad disseminated sulphide zone. The lenses dip steeply to the NNW.

Henry and Millstream

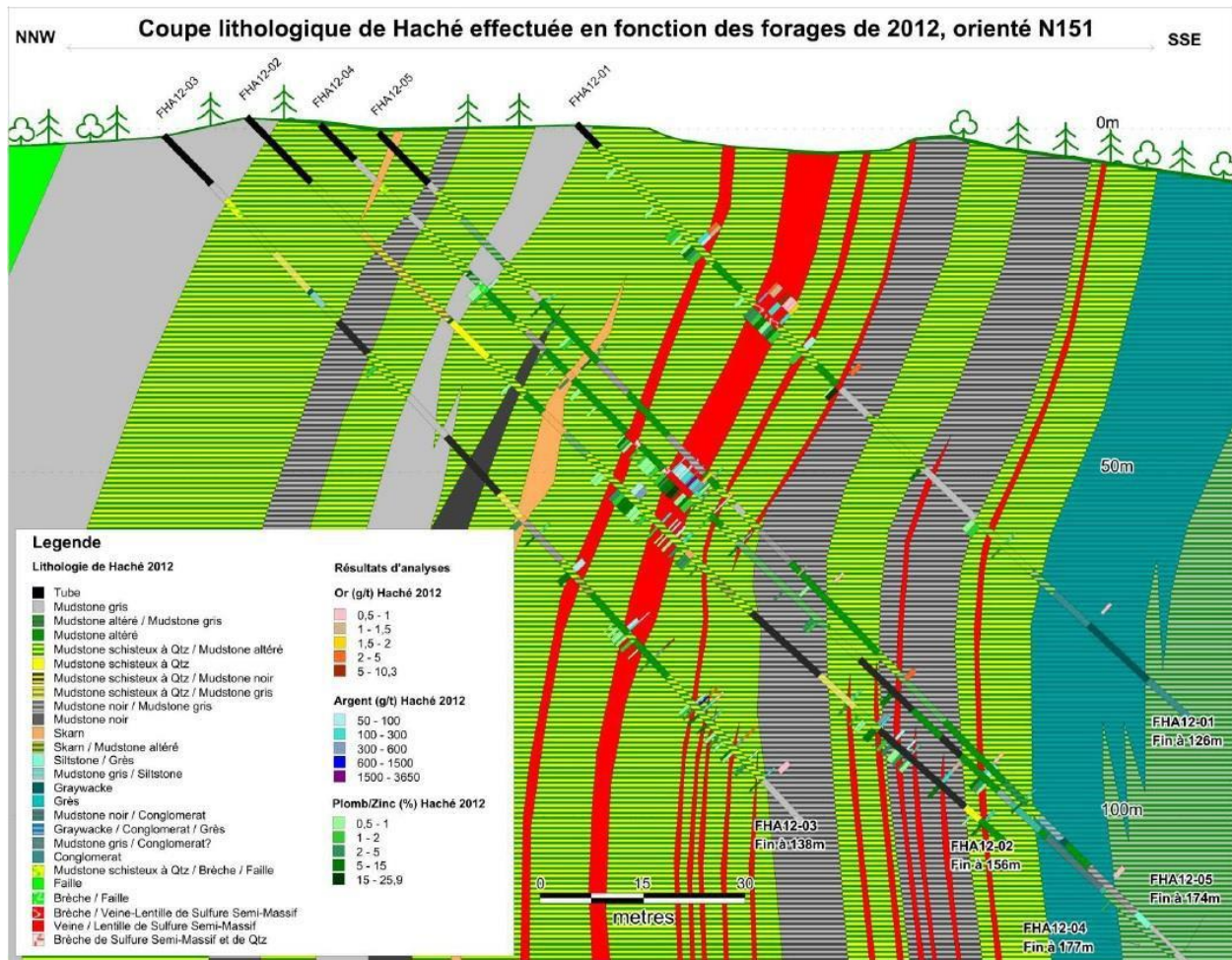
The Henry (a.k.a. Millstream Henry and N.A. Rare Metals Group 8) and Millstream (a.k.a. Millstream–Great Northern and N.A. Rare Metals Group 8A) zones occur approximately 2.5 km and 3.7 km, respectively, to the west-southwest along the South Branch of the RBMF, on strike from the Hachey and Shaft zones (Figure 7.8).

The Henry mineralization consists of massive to disseminated sulphides in or near carbonate-rich veins, fractures and lenses that cut the sheared and brecciated Tetagouche Group (Ordovician) graphitic schist and argillite. Individual veins form systems that pinch, swell and bifurcate over a strike length of more than 600 m and over a width of up to 120 m (New Brunswick Natural Resources and Energy Development website, consulted May 7, 2021). The veins generally strike NE, parallel to the RBMF, and dip 70°N, but NW-trending veins are also present. The deposit is apparently localized near the junction of a NW-trending fault and the NE-trending RBMF.



Note: "Coupe A": Section A; "Lentille Haché": Hachey mineralized lens; "Contour de décapage": limits of the surface stripping.

Figure 7.9 – Map showing the Hachey Zone area and drilling (from Geominex, 2014)



Note: Section A from Figure 7.9.

Figure 7.10 – Cross-section of the Hachey mineral occurrence (from Geominex, 2014)

In 1970, an underground exploration program was completed in the Henry Zone by North American Rare Metals Ltd, producing a drift, a raise and an incline. The assayed material from the drift averaged 1.77% Pb, 1.47 % Zn, 0.03 oz/t Au and 4.15 oz/t Ag over 34 m. The assayed material from the raise averaged 4.19% Pb, 3.56% Zn, 0.073 oz/t Au and 11.75% Ag over 35 m. A second zone encountered in the decline, 63 m south of the main zone, returned grades of 2% Pb+Zn, 0.02 oz/t Au and 4 oz/t Ag over 21 m. Following a geophysical survey and a trenching program in 2011, Puma Exploration Inc. successfully discovered new mineralized zones to the east of Henry Zone (Henry East). This was followed by drilling in 2012. Drilling highlights include a 13 m intersection in DDH FH12- 05 grading 0.90 g/t Au, 162 g/t Ag, 1.10% Pb and 1.38% Zn and a 3 m intersection in DDH FH12-10 grading 2.30 g/t Au, 187 g/t Ag, 1.46% Pb and 1.51 % Zn. Mineralization typically occurred in association with beds of siltstone or sandstone characterized by strong micro-folding with variably oriented foliation (possible kink folds). These rocks were cross-cut by fracture breccia and numerous multi-directional veins. This lithology hosts brecciated lenses and veins of sulphide mineralization.

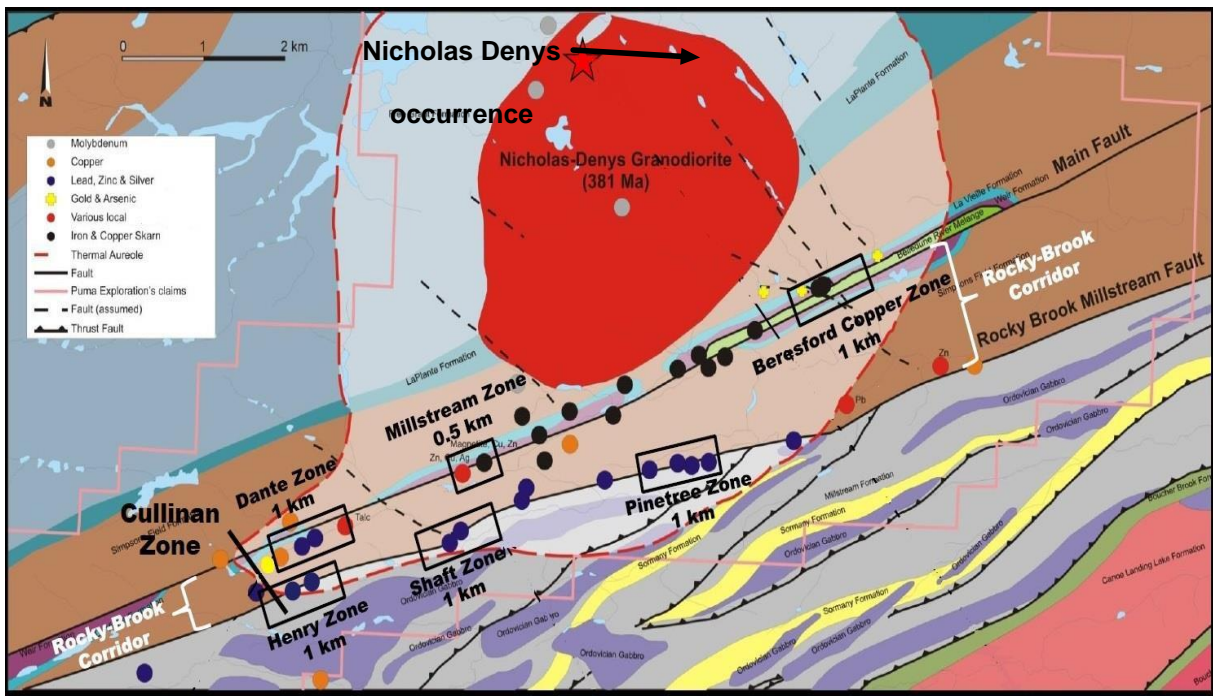
The Millstream Zone is described as similar to the Henry Zone mineralization, except that it contains appreciable chalcopyrite and jamesonite (New Brunswick Natural Resources and Energy Development website, consulted May 7, 2021). The zone was discovered in 1958 by trenching that uncovered Pb-Zn-Sb-As vein mineralization. This was followed by the drilling of three (3) DDH in the mid-1960s, with hole No. 3 intersecting 50.8 oz/t Ag and 5.03% Zn over 0.3 m. More than 40 DDHs followed in the subsequent years until the early 1970s and later in the mid-1990s. These holes intersected sandstone, graphitic argillite, diabase, gabbro, grey porphyry, and diorite cut by numerous carbonate-sulphide veins. The mineral occurrence comprises two zones approximately 15.2 m apart, consisting of

several east-trending veins of quartz- carbonate-pyrite-galena-sphalerite-jamesonite-arsenopyrite. The main vein in the zone dips 80°N and measures 427 m long. It has been drilled down to approximately 250 m in vertical depth and has an average width of 1.58 m. The average grade of the main vein is 4.5% Pb+Zn and 5.5 oz/t Ag. Additionally, hole 20 intersected 0.8 m grading 3.68% Sb.

Beresford Copper and Millstream Iron

The Beresford Copper (a.k.a. Beresford) and Millstream Iron zones occur within the contact metamorphic aureole of the Nicholas-Denys granodiorite intrusion and are located along the Main Break of the RBNF. Both mineralized zones are hosted by limestones of the Silurian La Vieille Formation belonging to the Chaleurs Group (Figure 7.11).

Both zones are similar geologically and mineralogically (New Brunswick Natural Resources and Energy Development website, consulted May 7, 2021). Mineralization consists of magnetite-chalcopyrite-rich lenses that occur within a calc-silicate skarn zone. The magnetite lenses also contain pyrrhotite, and W, F, Sn and Mo were also reported at the Millstream Iron occurrence. The sulphide minerals occur in small irregular masses, veinlets and disseminations, cutting the magnetite-bearing bands forming the lenses. The magnetite lenses strike NE and dip steeply NW, generally conforming to the skarn band enclosing it.



Note: “Main Fault”: RBNF system Main Break; red star indicates the location of the Nicholas-Denys porphyry occurrence.

Figure 7.11 – Map showing the Beresford Copper and Millstream mineral occurrences within the contact metamorphic aureole (Source: September 18, 2014 Press Release, Puma Exploration Inc.; in SEDAR; consulted May 7, 2021)

Both occurrences have a lengthy exploration history. The last exploration drilling on the Beresford Copper occurrence was in 2007 (Puma Exploration Inc.) to test its Cu-Ag-Au potential and two geophysical anomalies. The best copper results were associated with skarn mineralization, grading 3.23% Cu over 25 cm in hole F07-01 and 1.53% Cu over 70 cm in hole F07-02. Drill holes also intersected late quartz-calcite-sulphide veins similar to those observed at the Lavigne’s Brook and Stephen’s Brook occurrences, located approximately 500 m west and 500 m, respectively, from Beresford Copper. The highlights from these veins include 213 g/t Ag over 1.05 m and 6.34% Zn over 45 cm in hole F07-01, and 8.38 g/t Au over 20 cm in hole F07-03. The assessment report concluded that Au-Ag-Zn vein mineralization was more promising than Cu-skarn mineralization (Baker, 2007).

The two mineralized lenses of the Millstream Iron occurrence are 274 m and 76 m long. The last exploration drilling took place during the 2007-2013 period (Puma Exploration Inc.). Three (3) DDH were drilled in 2007 to verify the

style of mineralization at Millstream Iron and to evaluate the molybdenum content of the Cu-skarn mineralization. All three drill holes intersected Cu-skarn mineralization varying in thickness between 15 and 35 m. The best results occurred in hole F07-04 with a grade of 1.04% Cu over 9.75 m, which included a smaller zone of 2.05 m at 2.34% Cu. The best molybdenum results occurred in hole F07-05 (0.105% Mo over 0.75 m) and hole F07-06 (0.117% Mo over 0.9 m). In general, Cu and Mo mineralization did not appear to be related as the high-grade Cu and Mo zones did not overlap. In 2012, a single DDH was drilled, the objective being to test for the vertical extent of mineralization and to verify if mineralization is present near the Nicholas-Denys intrusion at depth. Best results include 0.18% Cu, 0.05 g/t Au, 249 ppm Mo and 90 ppm W over 94.8 m, which includes a 17.1 m interval grading 0.48% Cu, 0.14g/t Au, 74 ppm Mo and 23 ppm W. A high-grade interval of 3.3 m graded 1.07% Cu, 0.61g/t Au. This hole confirmed Cu-Fe skarn mineralization at depth, but no mineralization was found within the granodiorite in this hole. A single DDH was performed in 2013. This DDH was collared in peridotite and drilled to the northeast. In addition to several types of skarn alteration and granodiorite, this DDH intersected 94.8 m of 0.18% Cu, which included 17.1 m of 0.475% Cu.

Nicholas-Denys

The Nicholas-Denys (a.k.a. Nicholas-Denys 1) occurrence is hosted in the Nicholas-Denys intrusion near the northern contact with the Silurian sediments (Figure 7.11 and Figure 7.12). Molybdenum occurs in quartz veinlets (along fractures) as rosettes and disseminated flakes in the early Devonian granodiorite and Silurian cherty hornfels along the northern contact of the stock. The molybdenum is commonly associated with pyrite and chalcopyrite and locally with galena and sphalerite. Mineralization is the product of a hydrothermal system associated with the emplacement of the Nicholas-Denys Stock and feldspar porphyry dykes that intrude the host rock. The host rock is typified by hornfels argillite and occasional porcellanite (calcareous argillite) beds. A granodiorite dyke occurs as a matrix to brecciated hornfels. Scheelite (UV fluorescent) was found scattered in fractures and quartz veinlets. Porphyry dykes are also recorded in the historical (i.e., 1954-1968 period) drill logs, but this core is reportedly no longer available. Carbonate veinlets, particularly as matrix to crackle breccias, are post hornfels.

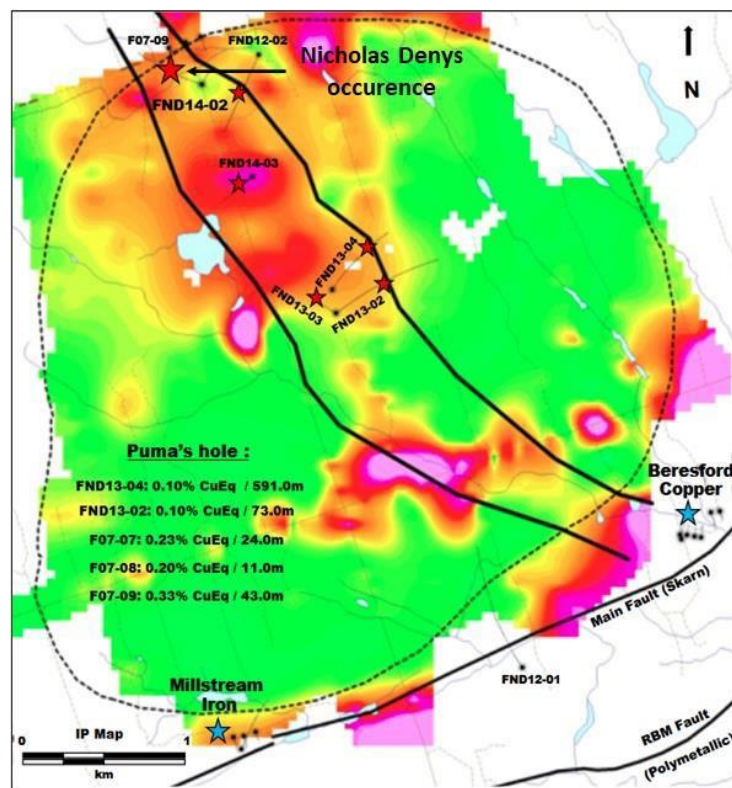


Figure 7.12 – Map showing the IP anomalies associated with the Nicholas-Denys mineral occurrence and interpreted porphyry system crosscutting the Nicholas- Denys granodiorite (Puma Exploration Inc corporate presentation).

The most recent exploration drilling was during the 2007-2014 period (Puma Exploration Inc.). Three (3) DDH were drilled in 2007 to confirm mineralization from historical drilling. All three holes intersected the same lithologies: hornfels and granodiorite. Mineralization was found in the granodiorite mainly associated with quartz veins centimetres to decimetres wide, but also disseminated in the host rock. Sulphide mineralogy consists of pyrite, pyrrhotite, chalcopyrite and molybdenite. Highlights include 24 m grading 0.037% Mo in hole F07-07, including an interval of 0.4 m grading 0.984% Mo, and 94 m grading 0.030% Mo in hole F07-09, including a 10.10 m interval grading 0.129% Mo. A single DDH was drilled in 2012, 726 m long and oriented southwest. It encountered anomalous zones of Cu-Mo mineralization as concentrations of multidirectional quartz veins crosscutting the granodiorite. In 2014, two DDH were drilled 200 m and 300 m to the south of this occurrence to test the vertical extent of Cu-Mo mineralization identified in previous trenching campaigns. Hole FND14-01 intersected 143.4 m grading 0.11 g/t Ag, 156 ppm Cu and 107 ppm Mo. Hole FND14-2 intersected 522.1 m grading 1.0 g/t Ag, 207 ppm Cu and 330 ppm Mo, including a 209.1 m interval grading 1.81 g/t Ag, 319 ppm Cu and 627 ppm Mo.

Pine Tree

The Pine Tree occurrence (a.k.a. Rocky Brook) is located approximately 2.5 km east from the Hachey-Shaft occurrences along the South Branch of the RBMF (Figure 7.8 and Figure 7.11). Mineralization is hosted by three E-NE-striking lenses of quartz-calcite- Zn-Pb-Ag within a zone of disseminated pyrite and pyrrhotite approximately 180 m long and 45 m wide. The mineralization is considered similar to the Hachey and Shaft deposits located to the west. Mineralization occurs in Ordovician Fournier Group metasediments to the south of the southern branch of the RBMF. Devonian feldspar porphyry dykes intrude the host sequence. Part of the mineralization lies along the porphyry-sediment contact. The porphyry dykes intruded NW-trending fractures, which locally offset E-NE-trending faults. Mineralization in the 1960s period was defined over 213 m along trend, a width of 3.5 m and to a vertical depth of 40 m. One of the better intersections graded 6.36% Pb, 2.49% Zn, 6.15 oz/t Ag and 0.01 oz/t Au over 0.9 m. Exploration drilling was more recently conducted in 2005 and 2009 (Puma Exploration Inc.). Drilling confirmed that mineralization extends to a depth of 150 m. Other highlights include 4.4% Pb, 5.3% Zn and 103.9 g/t Ag over 0.8 m in hole F05-06 and 3.8% Pb, 3.8% Zn and 89.6 g/t Ag over 8 m in hole F05-08.

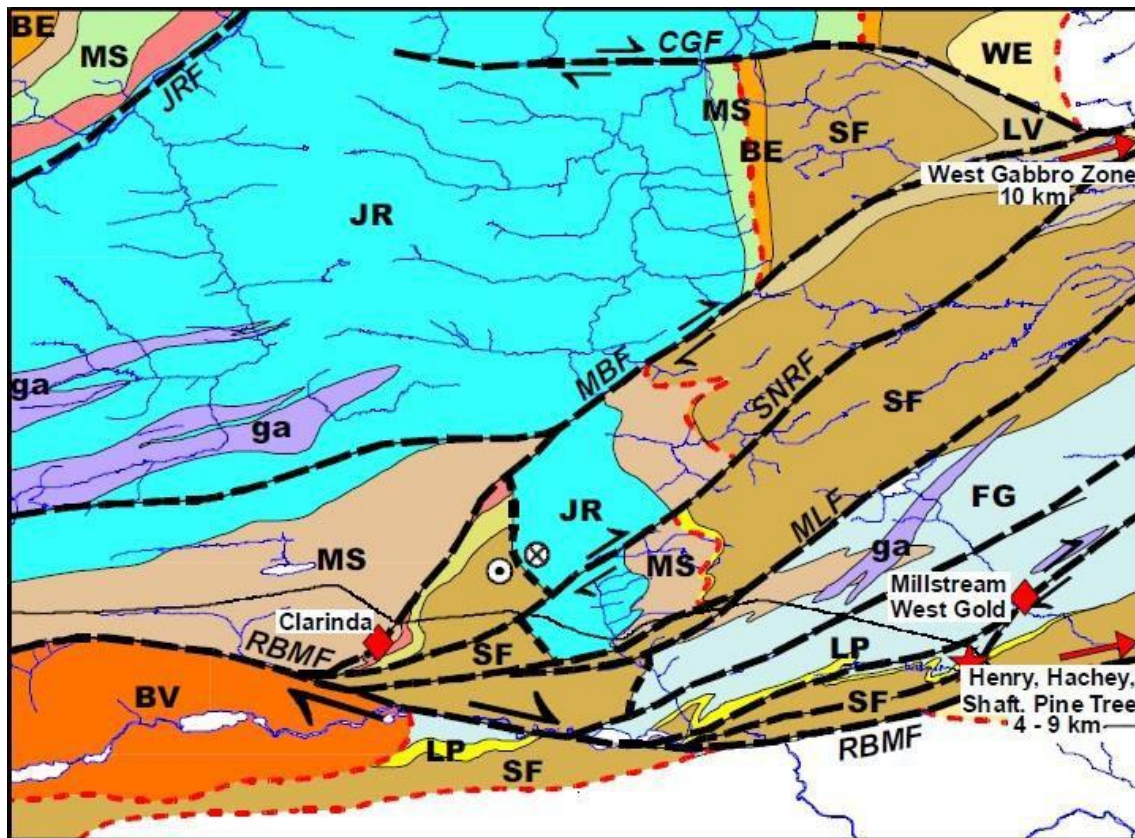
Millstream West Gold

The Millstream West Gold (a.k.a. Millstream West Gold-A) showing is located to the north of the RBMF and approximately 6 km west of the Hachey-Shaft occurrences (Figure 7.8 and Figure 7.13). Sixteen (16) DDH were drilled in the mid to late 1980s following the discovery of a locally derived quartz-ankerite boulder that assayed 0.2 oz/t Au and an As-in-soil anomaly coincident with a geophysical anomaly. Several holes intersected significant gold mineralization in altered siltstone and diabase, centred on the contacts of the dyke, the best intersection being 0.32 oz/t Au over 1.5 m. Gold occurs in fine felty to massive arsenopyrite associated with quartz-carbonate veins and pervasive alteration in Silurian sedimentary rocks of the Free Grant Formation adjacent to and within narrow dykes of diabase to fine-grained gabbro. Dykes are locally foliated. The length of the diabase has been estimated at approximately 365 m. The style of veining is still a matter of conjecture, but early indications are that the veins form a ladder-like pattern within the dyke, and locally in the wall rock, that has undergone limited deformation (shearing) to produce a curved (sigmoidal) pattern indicating structural control of the mineralization.

Clarinda

The Clarinda mineral occurrence is located approximately 16 km west of the Hachey- Shaft occurrences (Figure 7.8 and Figure 7.13), near the Project's western boundary. Clarinda lies in a fault-bound wedge with the east-trending RBMF system to the south. It is underlain by the Silurian Chaleurs Group at or near the northeast-trending contact with the Lower Devonian Dalhousie Group. The Chaleur Group units in the area comprise sediments and felsic volcanics. The felsic volcanics (Benjamin Formation, Dalhousie Group) are characterized by pink to locally black, chloritized feldspar-phyric rhyolites (Brown, 2010). This sequence is intruded by mafic dykes. Gold occurs in quartz veins and pyritic zones hosted by carbonate-altered sediment, rhyolite and gabbro. Gold grades are up to 15.8 g/t in outcrop. Soil anomalies assay up to 0.3 g/t Au and 1.8 g/t As. Gold values were detected over a strike length of 600 m with anomalous arsenic over 700 m. Up to 15 DDH were conducted on the occurrence. Anomalous gold was detected in several of the drill holes: CL00-3 returned 0.674 g/t Au over 17.1 m, CL00-7 returned 0.43 g/t Au over 11.5 m, CL00-9 returned 0.626 g/t Au over 10.7 m, CL00-11 returned 0.304 g/t Au over 5.5 m, and CL00-15 returned 3.097 g/t Au over 2 m.

Some shorter intervals contain grades of up to 8 g/t Au.



Note: Ordovician rocks to the south and north are uncoloured. From oldest to youngest, the Silurian Chaleur Group consist of the Weir (WE), La Vieille (LV), Simpson Field (SF), La Plante (LP) and Free Grant (FG) formations. The Dalhousie Group conformably overlies the Chaleur Group and consist of the Mitchell Settlement (MS) and overlying Jacquet River (JR) formations. Numerous dextral strike-slip faults are present: the Rocky Brook-Millstream fault (RBMF), the Melanson Brook fault (MBF), the South Branch Nigadoo River Fault (SNRF), the Millstream Lake fault (MLF). Red dashes are unconformities. Mafic dykes (i.e., gabbro: ga) are also present in the area.

Figure 7.13 – Simplified map showing the location of the Millstream West Gold and Clarinda occurrences with respect to major lithological units and structures (Wilson, 2008)

Deposit Types

The mineral occurrences on the various claim blocks of the Nicholas-Denys project share many characteristics with the following deposit types: silver-lead-zinc veins, sedimentary exhalative (SEDEX) deposits, skarn deposits and porphyry deposits.

Silver-Lead-Zinc Veins

Several occurrences in the Nicholas-Denys project area have been classified as silver-lead-zinc veins (Figure 7.7).

Silver-lead-zinc vein districts are commonly associated with major fault zones in clastic sedimentary terranes; individual veins occur in a variety of lithologies ranging in age from Proterozoic to Cenozoic. Silver-lead-zinc veins are a late feature in the tectonic evolution of orogens. Descriptive models for silver-lead-zinc veins in clastic metasedimentary terranes are given by Beaudoin and Sangster (1992) and Beaudoin and Sangster (1996) by comparing several mineralized districts. These comparative studies consisted of selected geologic features from six (6) classic districts: the Kokanee Range and Keno Hill, Canada; Coeur d'Alène, United States; Freiberg and the Harz Mountains, Germany; and Příbram, Czechoslovakia (Figure 8.1).

Silver-lead-zinc veins occur in clastic metasedimentary terranes, in contrast to epithermal veins which occur in volcanic terranes. Volcanic-hosted epithermal veins are also characterized by an Au-rich metal association, a shallow

depth of emplacement, and regional alteration. Silver-lead-zinc veins are commonly spatially associated with granitic intrusions but not those related to porphyry-Cu mineralization. Although limestone replacement has occurred in some silver-lead-zinc vein districts, the morphology and mineralogy of silver-lead-zinc veins allow them to be distinguished from mantos, skarns, etc., even though the same metal assemblages may be present.

Traditionally, silver-lead-zinc veins have been genetically related to the intrusion of granitic plutons or batholiths. Little attention, however, has been directed to the sedimentary rocks hosting most of the veins. These rocks are typically thick and monotonous sequences dominated by fine- to medium-grained clastic rocks and minor carbonate, mafic volcanic and tuff units. Another common feature is that these sedimentary rocks have been metamorphosed to the greenschist facies or higher. The sedimentary basins containing the host sequences are part of Pb-Zn metallogenic provinces that typically contain large, sediment-hosted and commonly sedimentary exhalative massive sulphide deposits.

The granite intrusions spatially associated with silver-lead-zinc veins have diverse characteristics. The intrusions host veins (Kokanee Range, Pribram), some have been contact-metamorphosed veins (Coeur d'Alène), and others are remote from the vein district (Keno Hill, Freiberg, Harz Mountains). The intrusions range from small, zoned monzonite to syenite plutons to large and complex dioritic to granitic batholiths; a layered tholeiitic intrusion is reported in the Harz Mountains. Some plutons intruded fault zones after deformation had ceased (Keno Hill, Pribram), whereas others were dismantled by later fault movements (Coeur d'Alène). Alteration associated with silver-lead-zinc veins is typically restricted to the vicinity of the veins and extends as much as several metres into the wall rocks. Alteration is commonly phyllic, characterized by sericitization, silicification and pyritization of the wall rocks.

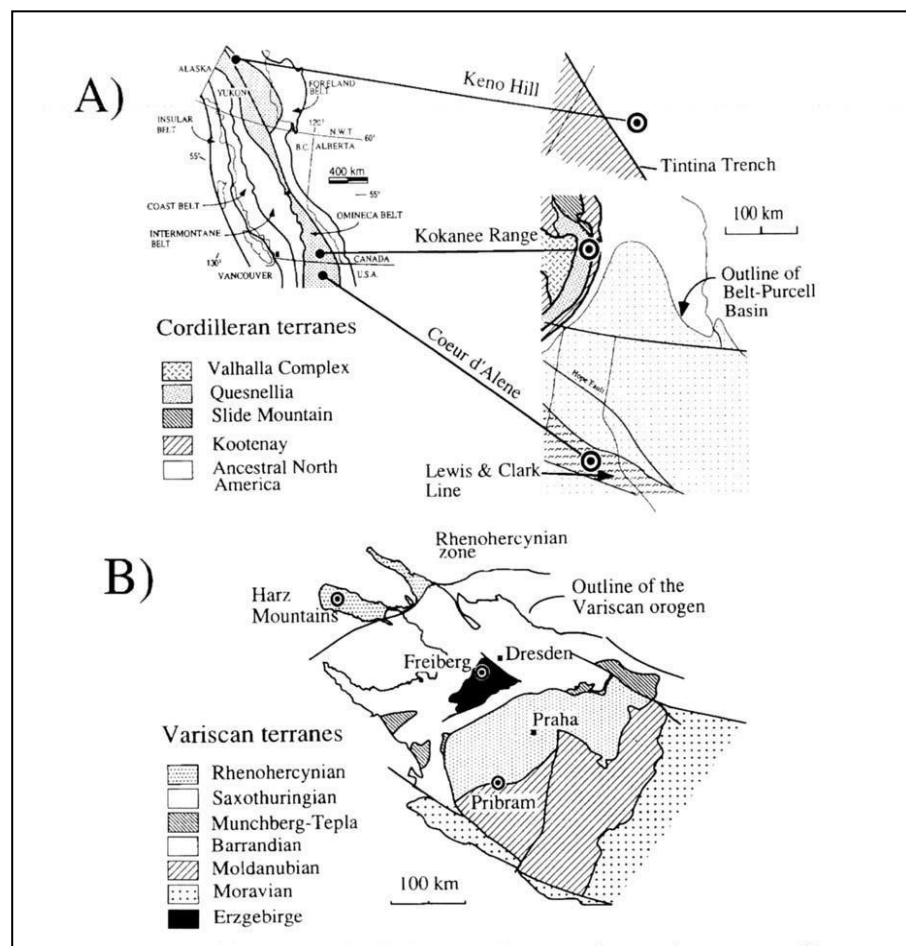


Figure 8.1 – Location of the six classic silver-lead-zinc vein districts in relation to terrane assemblage. A: Cordilleran orogen of North America. B: Variscan orogen of Europe (From Beaudoin and Sangster, 1992)

The classic silver-lead-zinc vein districts are found in two orogens: the Cordilleran orogen of North America and the Variscan orogen of Europe. The vein districts are in sedimentary basins dominated by clastic rocks that were deformed, metamorphosed, and intruded by igneous rocks. The silver-lead-zinc veins formed late in the tectonic evolution. The Kokanee Range is in the upper plate of the Valhalla metamorphic core complex, which was unroofed during the Eocene extension of the Cordilleran Orogen.

The Erzgebirge gneiss hosting the Freiberg district forms the lower plate of a low-angle extensional shear zone with veins occurring in a conjugate set of shear and tension fractures cutting a gneissic dome. Mineralization in the Příbram district is in structures subsidiary to the Central Bohemian shear zone and a major, dextral transpression fault zone at the boundary between the Barrandian and Moldanudian terranes.

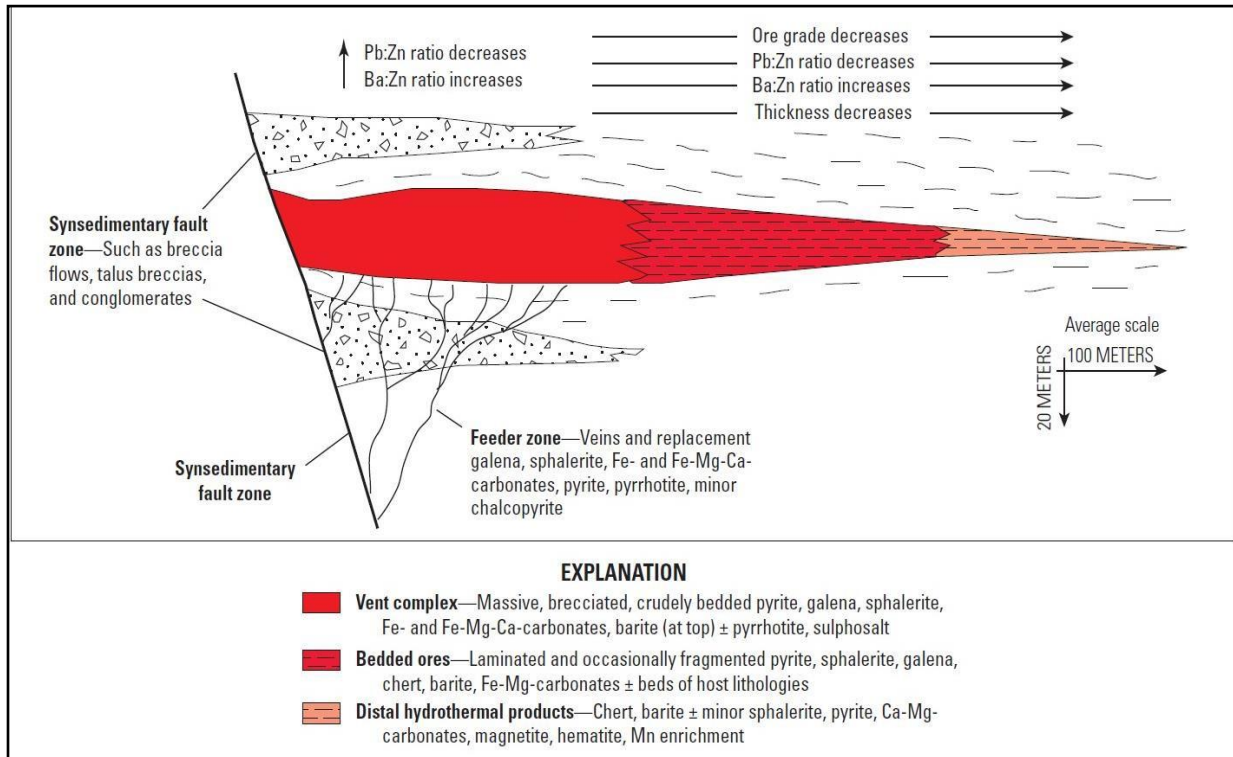
Sedimentary Exhalative Deposits (SEDEX)

A Master's thesis (Deakin, 2011) classified the Hachey, Shaft, Pine Tree and Henry sulphides lenses as compatible with sedimentary exhalative (SEDEX) mineralization based on the conformable nature of the sulphide lenses, the pre-deformation timing of the mineralization, sulphur isotopes studies suggesting the reduction of sulphur in anoxic conditions and the mineralizing fluid characteristics favourable to the precipitation of pyrrhotite. Most information presented in this section was obtained from Emsbo et al. (2010).

SEDEX Zn-Pb-Ag deposits are hosted by marine sedimentary rocks of intracratonic or epicratonic rift basins. Host rocks are carbonaceous shales, siltstones, and (or) carbonates of basin sag-phase sequences that were deposited on thick rift-fill sequences of sandstones, siltstones, conglomerates, red beds, and mafic or felsic volcanic rocks. Most deposits show no association with intrusive rocks.

Orebodies are generally tabular or stratiform and are localized in smaller fault-controlled subbasins near the margins of major depocenters and outboard of shallow-water carbonate platforms margins (Figure 8.2). Laminated or bedded sulphide ores in carbonaceous, pyritic, fine-grained shales and siltstones are characteristic of this deposit type. The principal ore minerals, sphalerite and galena, precipitated on or just below the sea floor from warm, saline basin brines (approx. 100–200°C and 17–30% total dissolved solids) that ascended along basin-controlling syn-sedimentary faults.

The metals were deposited and sequestered by the precipitation of sulphide minerals as a consequence of mixing of the metal-transporting brine, and the hydrogen sulphide (H₂S) produced locally by the bacterial, and perhaps thermochemical, reduction of local seawater sulphate.



Note: Fe, iron; Mg, magnesium; Ca, calcium; Pb, lead; Zn, zinc; Ba, barium; Mn, manganese

Figure 8.2 – Cross section showing morphology and distribution of ore types and mineralogic and geochemical zoning through an idealized sedex deposit (from Emsbo et al., 2010)

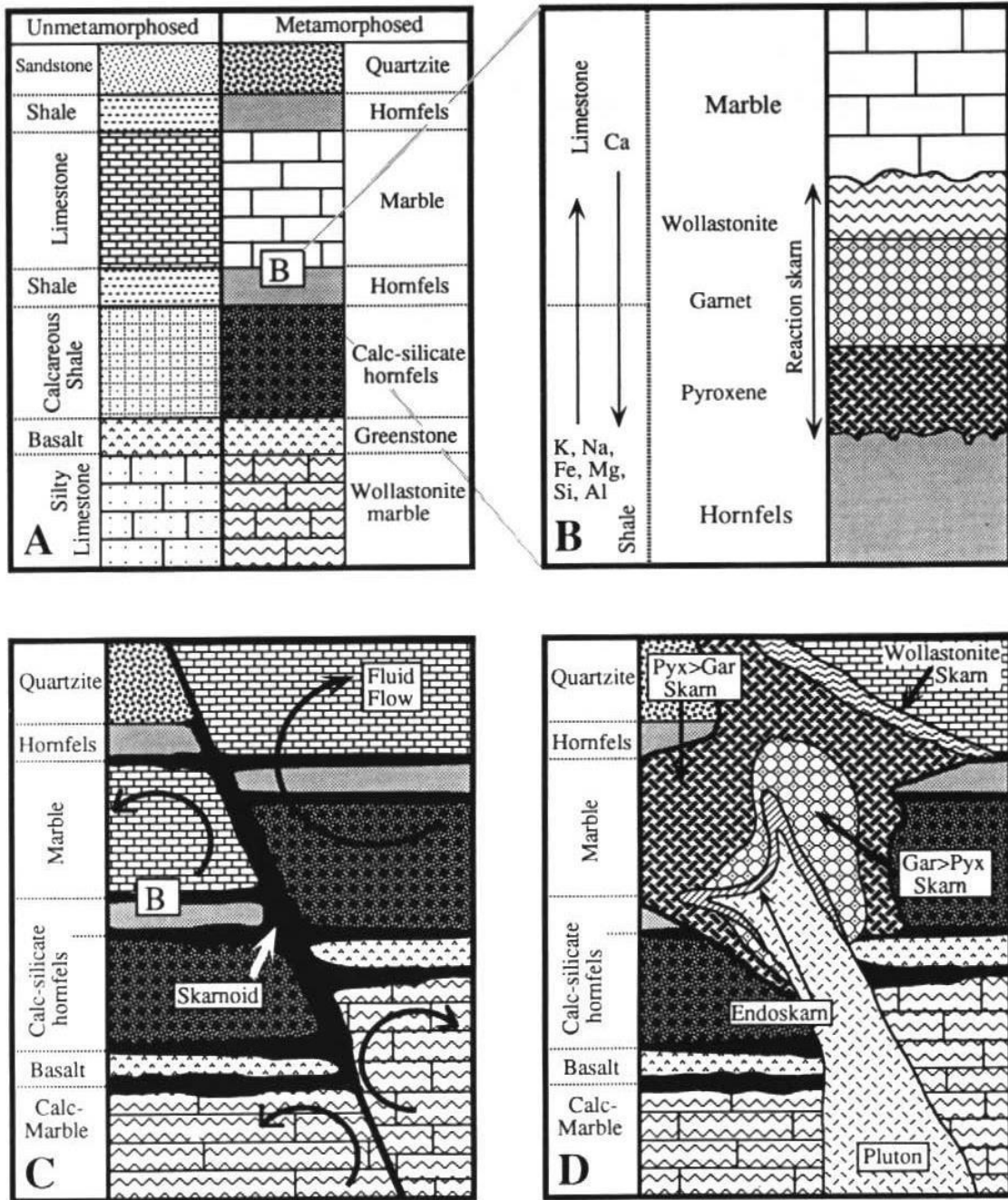
Skarn

Mineralization of the Beresford Copper and Millstream Iron occurrences are considered to be skarn-type mineralization.

Skarns deposits are formed by the replacement of carbonate-bearing rocks during regional or contact metamorphism and metasomatism (Corbett and Leach, 1998), in response to the emplacement of intrusions of varying compositions (Figure 8.3 and Figure 8.4). Skarns can be regarded as a specific type of Ca-Fe-Mg-Mn silicate alteration within a porphyry environment. Exoskarn and endoskarn describe deposits derived from sedimentary and igneous/intrusion protoliths, respectively. Calcic skarns form by replacing limestone and producing Ca-rich alteration products such as garnets (grossular-andradite), clinopyroxene (diopside-hedenbergite), vesuvianite, and wollastonite. Magnesian skarns form by replacing dolomite and producing Mg-rich alteration minerals such as diopside, forsterite, and phlogopite. Magnetite is common in magnesian skarns because the Mg-rich silicates do not take up iron. Skarns typically display complex mineral assemblages and are polyphase.

Early high-temperature alteration is typified by assemblages of anhydrous silicates and iron oxides (prograde phase). These are overprinted by later hydrous silicates and sulphides that formed at lower temperatures (retrograde phase). Spatial mineralogical zonations are related to both the lateral and vertical distance from the intrusion (i.e., to chemical potential and temperature gradients) and at depth (i.e., to these gradients plus pressure; Meinert, 1992). Based on the dominant economic metals, seven skarn types have been identified: Cu, Au, Pb-Zn, Fe, Mo, Sn and W. Copper skarns are typically dominated by andradite (Fe-rich) garnet grading into pyroxene and vesuvianite or wollastonite. Chalcocopyrite dominates the mineralization close to the intrusion, whereas bornite occurs in the more distal wollastonite zone. Gold skarns are associated with diorite-granodiorite intrusions, arsenopyrite and pyrrhotite are the main sulphide minerals, however, Au mineralization as electrum may occur associated with bismuth and

telluride minerals. Gold skarns can form distal from intrusions and may display similarities to low-sulphidation quartz-sulphide gold ± copper deposits.



Note: A – Isochemical metamorphism involves recrystallisation and changes in mineral stability without significant mass transfer; B – Reaction Skarn results from metamorphism of interlayered lithologies, such as shale and limestone, with mass transfer between layers on a small scale (bimetamorphism); C – Skarnoid results from metamorphism of impure lithologies with some mass transfer by small scale fluid movement; D – Fluid-controlled metasomatic skarn typically is coarse grained and does not closely reflect the composition or texture of the protolith.

Figure 8.3 – Types of skarn formation (Meinert, 1992)

Porphyry

Mineralization at the Nicholas-Denys occurrences is considered to be porphyry-style.

Porphyry copper deposits are large tonnage, low- to medium-grade deposits, with primary (hypogene) mineralization that is structurally controlled and spatially and genetically related to felsic to intermediate porphyritic intrusions (Sillitoe, 2010; Figure 8.4). Porphyry deposits occur in island arc and continental margins associated with the magmatic arc migration during subduction. The porphyry systems occur as clusters and alignments as well as in isolation. The deposits form in the upper 4 km or so of the crust associated with magmatic centres emplaced deeper, in the 5 to 15 km range. Intrusions, dike swarms and associated mineralization of the porphyry system stretch vertically over >3 km. The deposits are formed by magmatic-hydrothermal fluids with sulphide and oxide minerals precipitated from saline aqueous solutions at elevated temperatures. The interaction of hydrothermal fluids with the host rock causes widespread alteration and results in a characteristic zonation.

The alteration-mineralization in porphyry deposits is zoned outward from the intrusion as follows:

- Potassic Alteration Zone, the inner mineralized core, characterized by potassium feldspar and/or biotite;
- Phyllic Alteration Zone, characterized by sericite and chlorite-sericite;
- Argillic Alteration Zone, an area of clay alteration that can attain >1 km thick if unaffected by significant erosion;
- Propylitic Alteration Zone, the outermost alteration zone, dominated by chlorite and epidote, may extend several kilometres outwards.

If preserved, the argillic alteration zone above porphyry systems is called a lithocap. Subdivisions of porphyry deposits can be made based on their metal contents, mainly ratios between Cu, Mo and Au (Ag), to define them as Au, Cu (Mo-Au), Mo (Cu), W-Mo and Sn deposits (Seedorff et al., 2005). In the mineralized zone, the so-called disseminated ore is, in fact, an array of narrow, closely spaced veins (hydrofractures) or stockwork. Metal zoning is also characteristic of porphyry systems; Cu \pm Mo \pm Au cores have typically km-scale halos with anomalous Zn, Pb, Ag \pm Mn in the outermost areas. In copper porphyry deposits, bornite is more common in the potassic zone rather than chalcopyrite, which is more abundant in the phyllic zone. In Au-rich Cu porphyry deposits, the Au tends to be associated in solid solution with bornite. Mo correlates less well than Au with Cu in Cu-Au porphyry systems. Mo tends to concentrate outside the Cu-Au cores. Lead, zinc and silver are more common in the propylitic alteration zone. Typical hypogene porphyry Cu deposits have average grades of 0.5 to 1.5% Cu, <0.01 to 0.04% Mo, and traces to 1.5 g/t Au, although a few "Au only" deposits have Au grades of 0.9 to 1.5 g/t Au, but little Cu (<0.1%).

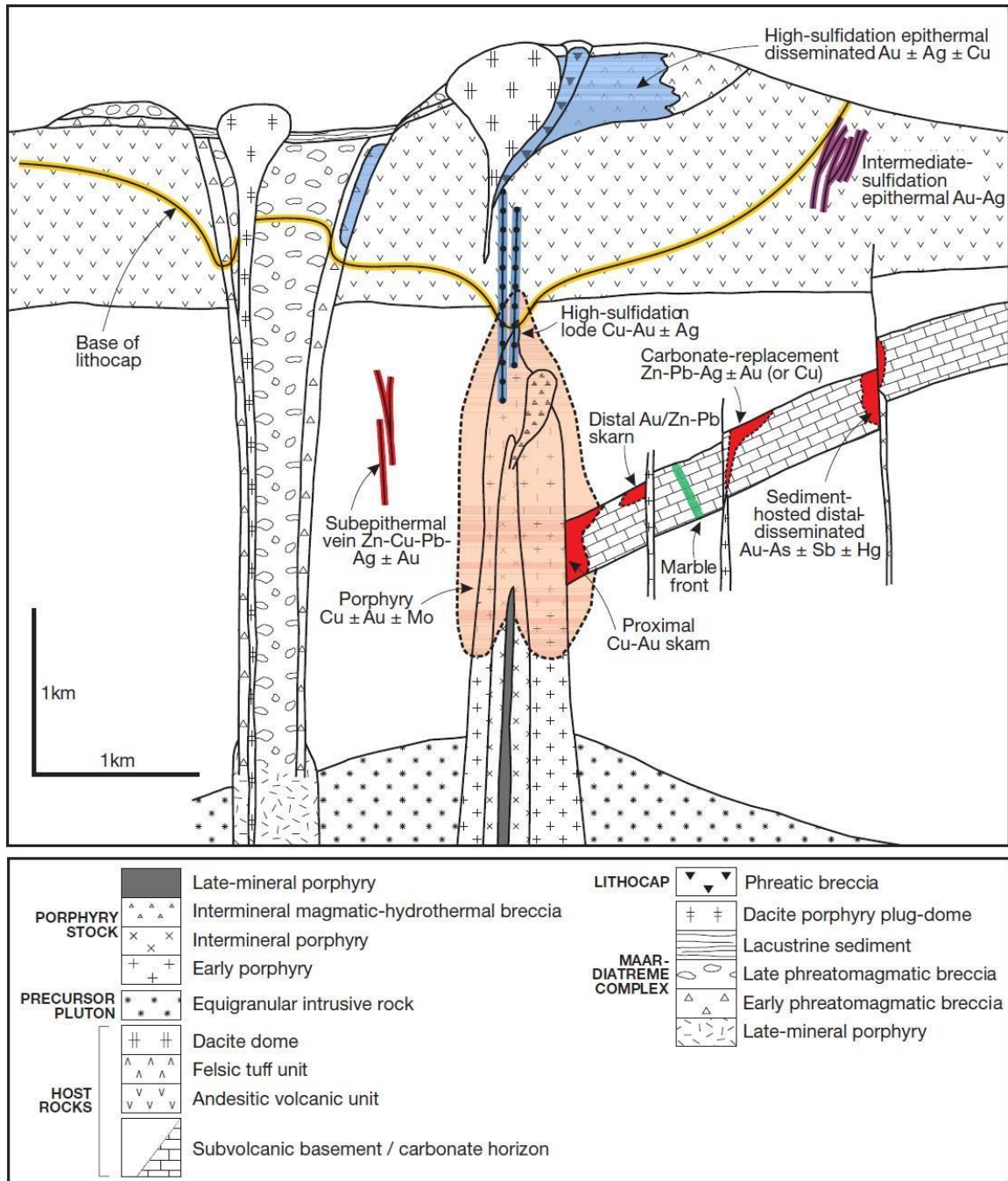


Figure 8.4 – Schematic model of a telescoped porphyry Cu system showing spatial interrelationships of a centrally located porphyry Cu ± Au ± Mo deposit in a multiphase porphyry stock (Sillitoe, 2010)

Exploration

Not applicable at the current stage of the Nicholas-Denys project.

Drilling

Not applicable at the current stage of the Nicholas-Denys project.

Sample Preparation, Analyses and Security

Not applicable at the current stage of the Nicholas-Denys project.

Data Verification

This item covers the data verification completed by Doug Clark (P.Geol.), consisting of a site visit that included a collar location verification, a review of selected drill core, independent sampling and database validation (including collar, downhole survey and assay data from the issuer's DDH).

Site Visit

The author visited the Nicholas-Denys project in early May 2021. The site visit focused on the Hachey Zone stripping and drilling. The site data verification included a general visual inspection of the Project, a review of drill collar location coordinates and a visual assessment of access roads.

The majority of the Puma Exploration Inc. drill core is now stored at the Department of Natural Resources ("DNR") Core Library in Madran, New Brunswick. At the core library, the author examined selected mineralized core intervals and reviewed the QA/QC program, the downhole survey data, and the descriptions of lithologies, alteration and mineralization. The author also performed independent check assays on selected intercepts, which were sawn into quarters by the author's contractor.

Core Review

The core boxes are stored on pallets outside the DNR Core Library in Madran, New Brunswick. They are in reasonably good order and properly labelled with aluminum tags indicating the DDH number and the from-to depths. The sample tags were present, and the wooden blocks placed at the beginning and end of each drill run were still in the boxes, and they matched the indicated footage on each box. The author validated the sample numbers and confirmed the presence of mineralization in the referenced half- core samples.

The author selected representative mineralized intervals and collected 9 samples for independent assaying from drill hole FHA12-01 (36.4-43.1 m). The samples are ¼ sawn by the author's contractor. The samples were placed in plastic bags and sealed in a plastic pail for transport to the independent assaying laboratory. Purolator Courier transported the samples to Activation Laboratories Ltd ("Actlabs") in Fredericton, New Brunswick.

The results of the independent re-assaying are pending, but the amount of mineralization present in the core seems to correspond with the original assay results (i.e., % sphalerite, galena, etc.) The author believes the field duplicates from the independent resampling program are reliable and consistent with the database.

Databases

Locating historical drill collars focused on the Hachey Zone. Most drill collars were labelled with aluminum tags and affixed to the casing by plastic pull ties. Three collars were found (F07-13, FHA12-01 and FHA12-04). The coordinates for the collars were within the +/- error of the Garmin Rino530HCx GPS used by the author ([Figure 12.1](#)) and corresponded to the information in the database.



Figure 12.1 – Collar location FHA12-01

The collar locations in the Project database are considered adequate and reliable.

Downhole surveys

Downhole surveys were conducted in most of the holes using a Reflex instrument. The downhole survey information is assumed to be accurate.

Assays

The author did not have access to the original certificates of assay but did have access to assay data filed in the appendices of various reports. These assay data appear to be from the original assay spreadsheets provided by the labs.

The final database is considered to be of good overall quality.

The author is of the opinion that the data verification process demonstrates the validity of the data and the protocols for the Nicholas-Denys project. The author considers the database for the Nicholas-Denys project to be valid and of sufficient quality.

Mineral Processing and Metallurgical Testing

One (1) metallurgical test was completed on mineralized material from the Hachey Zone. The test was conducted by SGS Lakefield Limited in the fall of 2007 (Marion et al., 2007; Lascelles and Unger, 2007a; and Lascelles and Unger, 2007b). The material has not been subjected to mineral processing.

Sample Preparation

On June 20, 2007, two rice bags containing samples weighing 30 kg were received at the SGS Lakefield site from Puma Exploration. A total of 24.9 metres of mineralized core were combined into one representative and homogeneous composite sample. The composite came from four (4) diamond drill holes on the Hachey Zone (Table 13.1).

Table 13.1 – Hachey composite

Holes	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
F07-15	62.1	65.1	3.0	0.27	64	1.1	2.3
F07-15	70.9	75.1	4.2	6.20	1232	5.9	8.7
F07-16	46.0	55.2	9.2	1.45	247	3.0	3.9
F07-18	28.5	33.0	4.5	1.80	222	1.9	6.2
F07-20	39.0	43.0	4.0	0.26	87	1.6	4.0

The contents of the two bags forming the Hachey composite were crushed to minus 6 mesh and blended. A subsample was removed for the grindability test work; the remainder of the composite was crushed to minus 10 mesh and blended. A sample was removed for mineralogical characterization, and a second sample removed for standard chemical characterization. The remainder of the composite was rotary split into 1-kg charges. All material was stored in a freezer to prevent oxidation.

Sample Characterization

Head samples were submitted for analysis using standard chemical techniques. The returned assays were 3.67% Pb, 6.04% Zn, 2.20 g/t Au and 460 g/t Ag. The full table of assays can be found in Table 13.2.

Table 13.2 – Hachey composite head assays

Assays	Hachey Composite	Assays	Hachey Composite	Assays	Hachey Composite
Al (ppm)	33,000	Li (ppm)	< 5	Ti (ppm)	1,600
As (ppm)	11,000	Mg (ppm)	12,000	Tl (ppm)	< 30
Ba (ppm)	200	Mn (ppm)	2,700	U (ppm)	< 40
Be (ppm)	0.77	Mo (ppm)	< 10	V (ppm)	110
Bi (ppm)	< 20	Na (ppm)	3,100	Y (ppm)	10
Ca (ppm)	22,000	Ni (ppm)	49	Pb (%)	3.67
Co (ppm)	15	P (ppm)	360	Zn (%)	6.04
Cr (ppm)	43	Sb (ppm)	470	Au (ppm)	2.2
Cu (ppm)	630	Se (ppm)	< 30	Ag (ppm)	460
Fe (ppm)	180,000	Sn (ppm)	130	Cd (%)	0.0807
K (ppm)	14,000	Sr (ppm)	64	In (%)	0.003

The sample characterization of the Hachey composite carried out by SGS Lakefield Ltd indicated the presence of arsenic, antimony and cadmium. The concentrations of these elements may exceed smelter penalty levels.

Mineral Characterization

High-definition mineralogy was performed on the Hachey composite sample using QEMSCAN™ technology. Galena and sphalerite were the main pay minerals, with pyrrhotite accounting for the largest percentage of the sulphide gangue. Pyrite and arsenopyrite were also present. The non-sulphide minerals were mainly quartz, feldspars, micas, chlorites, carbonates and amphiboles.

The mineralogical analysis revealed that 85% of the galena and 88% of the sphalerite occurred as free particles at 77 µm. The non-liberated galena was chiefly associated with sphalerite and arsenopyrite, though binary particles of galena and pyrite were also found. Non-liberated sphalerite was chiefly associated with pyrrhotite. Complex particles of sphalerite with pyrite and galena were also found.

The theoretical grade-recovery analysis indicates that 85.9% Pb grade may be achieved with 75% recovery in the overall sample. Similarly, 62.8% Zn grade may be achieved at 83.8% Zn recovery in the overall sample. This does not include mechanical effects, such as entrainment, that may occur during the selected metallurgical process. Flotation chemistry will also affect the true grades and recoveries. A substantial increase in sphalerite liberation may be observed with a more finely ground target. This may be achieved by the use of a regrind circuit in the metallurgical flow sheet. Improvements in galena liberation may also be achieved through the use of a regrind.

Grindability Testwork

A Bond Ball Mill grindability test was performed on the Hachey composite. The test was conducted with a closing size of 400 mesh (-37 µm). The Hachey composite had a Bond Work Index of 17.5 kWh/t, making it medium-hard in comparison to all samples in the SGS Lakefield Ltd database.

Rougher Flotation Tests

Rougher kinetics tests were conducted on the Hachey composite to examine the effect of the primary grind. The test conducted at the initial coarse grind of 80% passing 77 µm showed equivalent or higher Pb and Zn recovery than when finer grinding (75 µm and 69 µm) was used. Finer grinding improved Au recovery. Silver recovery was approximately equivalent in all tests (77 µm, 75 µm and 69 µm). Based on these test results, the coarsest grind of 77 µm was selected for a primary grind.

Cleaner Flotation Tests

The potential for cleaning the Pb and Zn rougher concentrates was explored in the next three flotation tests. The variables explored were pH in the Pb and Zn cleaning circuits, and the regrind size of the Pb cleaner.

Preliminary cleaner tests indicated that a Pb concentrate grade of 68.4% Pb could be achieved at 88.6% Pb recovery with a 20 µm regrind. Zinc concentrate grades of 49.8% Zn at 84.1% Zn recovery could be achieved with a 30 µm regrind using a flotation pH of 11.5 or greater. Gold and silver recoveries were 67.6% and 74.8%, respectively, for the corresponding final Pb cleaner concentrate. These concentrate grades and recoveries will likely improve with flow sheet optimization.

Mineral Resource and Mineral Reserve Estimates

Not applicable at the current stage of the Nicholas-Denys project.

Mining Methods

Not applicable at the current stage of the Nicholas-Denys project.

Recovery Methods

Not applicable at the current stage of the Nicholas-Denys project.

Project Infrastructure

Not applicable at the current stage of the Nicholas-Denys project.

Capital and Operating Costs

Not applicable at the current stage of the Nicholas-Denys project.

Exploration, Development and Recommendations

Based on the exploration status of the Nicholas-Denys Project, the authors recommend advancing the Millstream, Pine Tree, Shaft, Hachey, Dante, Raya, Henry East, Henry, Half Mile, Bradley and Clarinda zones to the next phase of development. InnovExplo also recommends continuing the property-scale exploration program, including compilation, geophysics, trenching, sampling and drill target generation, in addition to drilling on the more advanced claim blocks, such as Ann's Creek and Beresford. Figure 26.1 shows the location of the main occurrences.

The recommended two-phase work program is detailed below.

Phase 1:

- Exploration
 - Regional compilation work is recommended for the Ann's Creek and Beresford claim blocks and the Rocky Brook–Millstream fault system (“RBMF”).
 - On the Ann's Creek and Beresford claim blocks, excavation work should be planned at the Shaft, Pine Tree, Half Mile and Henry East occurrences to better define the mineralization. It will then be possible to perform channelling and target future drill hole locations. Trenching in some unexplored regions along the RBMF would also be in order.
 - The Millstream claim block is underexplored outside the known mineral occurrence. Compilation, stripping and mapping work are recommended.
- Geophysics
 - Ground geophysics surveys (IP and/or EM methods) are recommended for the Nicholas-Denys Zone to delineate the mineralized system and its potential extension.
 - IP surveying is recommended to the east of the Nicholas-Denys pluton to follow up on Mag anomalies in the Laplante Formation.
 - Ground geophysics surveys (IP and/or EM methods), stripping and mapping are recommended for the Clarinda Zone to delineate lithological contacts and better understand the gold system. The Goldstrike claim block is underexplored outside the known mineral occurrence; trenching and mapping are recommended.
- Data validation on the Hachey Zone (post-2008 MRE drill holes)
 - Drilling data obtained from the Hachey Zone since the last MRE of 2008 should be compiled, validated and interpreted. Further density results should be obtained from measurements on diamond drill core. Detailed data validation process should include a QA/QC review, checks against original assay certificates, checks against original survey reports (collar location and downhole surveys) to reach a confidence level appropriate for a future MRE update.
- In parallel with the exploration work program, it is also recommended that the issuer maintain a pro-active and transparent strategy and communication plan with local communities.

Phase 2:

- Updated MRE for the polymetallic Hachey deposit.
- Exploration drilling along the RBMF to potentially discover new zones (provisional Phase 1 follow-up).
- Exploration drilling on the Nicholas-Denys Zone and east of the Nicholas-Denys pluton (provisional Phase 1 follow-up).
- Exploration drilling on the Clarinda Zone (provisional Phase 1 follow-up).
- Exploration drilling on the Millstream claim block (provisional Phase 1 follow-up).

Cost Estimate for Recommended Work

The budget for the proposed program is presented in Table 26.1. Expenditures for Phase 1 are estimated at C\$1.200M (incl. 15% for contingencies). Expenditures for Phase 2 are estimated at C\$1.745M (incl. 15% for contingencies). The grand total is C\$2.945M (incl. 15% for contingencies). Phase 2 is contingent upon the success of Phase 1.

Table 26.1 – Estimated Costs for the Recommended Work Program

Phase 1 – Work Program	Description	Budget Cost (CAD)
	Regional geoscience compilation for exploration targeting with a focus on the Ann’s Creek, Beresford, Millstream and Goldstrike claim blocks	\$ 0.075 M
	Mechanical stripping, trenching, geological mapping and sampling on the Clarinda, Shaft, Pine Tree, Half Mile and Henry East zones, in specific unexplored areas along the RBMF and in underexplored areas outside the known mineralized occurrences on the Goldstrike and Millstream claim blocks	\$0.650 M
	Ground geophysics (IP and/or EM surveys) on the Nicholas-Denys Zone, to the east of the Nicholas-Denys pluton to test the Mag anomalies in the Laplante Formation, and on the Clarinda Zone.	\$0.350 M
	Data validation on the Hachey Zone (post-2008 MRE drill holes), including additional density measurements on drill core	\$0.075 M
	Community relations and communications plan	\$0.050 M
Phase 1 Subtotal		\$1.200 M
Phase 2 – Work Program	Description	Budget Cost
	Updated mineral resource estimate for the Hachey polymetallic deposit	\$0.120 M
	Exploration drilling – along the RBMF system (provision for follow-up on Phase 1)	3,000 m \$0.750 M
	Exploration drilling – Nicholas-Denys Zone and to the east of the Nicholas-Denys pluton (provisional Phase 1 follow-up)	1,000 m \$0.250 M
	Exploration drilling – Clarinda Zone (provisional Phase 1 follow-up)	1,000 m \$0.250 M
	Exploration drilling – Millstream claim block (provisional Phase 1 follow-up)	1,500 m \$0.375 M
Phase 2 Subtotal		\$1.745 M
TOTAL (Phase 1 and Phase 2)		\$2.945 M

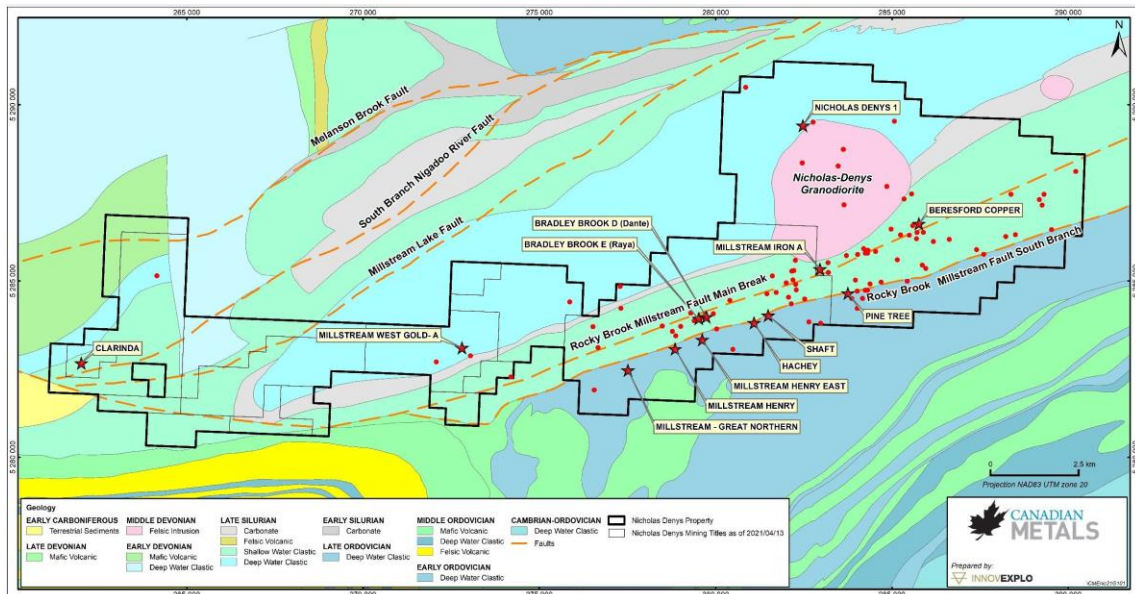


Figure 26.1 – Map of mineral occurrences on the Project

Risk Factors

Shareholders should carefully consider all of the information disclosed in this Information Circular, including the risks and uncertainties described below, prior to voting on the matters being put before them at the Meeting. While the risks and uncertainties described below are those that management of the Company believes to be material to the Company, it is possible that other risks and uncertainties affecting the Company's business will arise or become material in the future.

Terms of the Acquisition

While the Board of the Company has taken reasonable steps to determine that the terms of the Acquisition are in the best interests of the Company, and are fair and reasonable to the Shareholders other than the Interested Shareholders, based on current information and market conditions, changes in current circumstances could present more favourable opportunities to the Company in the future. Changes in capital or commodity markets may occur which would have presented the Company with more favourable acquisition terms, or additional opportunities for obtaining financing. Likewise, a re-evaluation of the Nicholas-Denys and Oxford Brook projects could present less favorable results than anticipated, rendering the terms of the Acquisition unfavourable to the Company and Shareholders other than the Interested Shareholders.

Title to the Nicholas-Denys and Oxford Brook Projects

TM holds a registered 100% interest in the title to the Nicholas-Denys and Oxford Brook projects, subject to certain existing NSRs. Although the Company has exercised reasonable commercial due diligence with respect to confirming title to the Nicholas-Denys and Oxford Brook projects, there can be no assurance that the Company's or TM's rights or interests in and to such properties will not be further challenged, impugned or revoked.

No Mineral Resource

There is no assurance that the Company will establish the existence of any mineral resource on the Nicholas-Denys and Oxford Brook projects, or a mineral resource in commercially exploitable quantities. Until the Company can establish and develop a commercially exploitable resource, it cannot earn any revenues from operations and if the Company does not do so, it will lose all of the funds that it expends on exploration, and its business could fail. If the Company loses, abandons or otherwise disposes of its interest in all or part of the Nicholas-Denys and Oxford Brook projects, there is no assurance that it will be able to acquire another mineral property of merit.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. There is no known current mineral resource on the Nicholas-Denys and Oxford Brook projects, and development of the properties will only follow if favourable exploration results are obtained. Even if a mineral deposit is confirmed, the development of a mining operation typically involves large capital expenditures and a high degree of risk and uncertainty. Substantial expenditures are required to establish current resources and reserves through drilling, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

In addition, there is no assurance that the Company will be able to obtain all necessary permits, surface access rights, water rights and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Nicholas-Denys and Oxford Brook projects, or any other properties that the Company may acquire in the future.

The success of neighbouring or contiguous properties, or other mineral exploration properties, in the region or elsewhere in the world, is not an accurate indicator of the likelihood of success of the properties of the Company, including the Nicholas-Denys and Oxford Brook projects.

Financing Requirements and Market Conditions

The Company has limited financial resources. Assuming the completion of the Acquisition, the Company may need to obtain funding for its future operations relating to the Nicholas-Denys and Oxford Brook projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, business performance of the Company, as well as the market price of metals. The recent volatility in global equities, commodities, foreign exchange, precious and base metals and a lack of market liquidity, may adversely affect the development of the Company and its ability to obtain financing.

There is no assurance that sources of financing will be available to the Company on acceptable terms, if at all. Ongoing exploration and development activities on the Nicholas-Denys and Oxford Brook projects and other properties will require substantial additional capital. Failure to obtain additional financing on a timely basis may cause the Company to postpone or abandon exploration and development of its properties, forfeit its rights to its properties or reduce or terminate its operations.

THE ARRANGEMENT

Background to the Arrangement

The Company entered into the Arrangement Agreement with Spinco on June 17, 2021, pursuant to which the Company will transfer the Spinco Property to Spinco in exchange for 4,300,000 Class A common shares of Spinco (“**Spinco Shares**”) at a deemed price of \$0.10 per Spinco Share. In connection with the Arrangement, Spinco will conduct a concurrent financing for minimum gross proceeds of \$500,000 and maximum gross proceeds of \$1,500,000 (the “**Spinco Financing**”). The provisions of the Arrangement Agreement are the result of negotiations among the Company and Spinco.

After careful consideration, including a thorough review of the terms of the Arrangement Agreement, and taking into account the best interests of the Company and the impact on the Company’s stakeholders, and consultation with its professional advisors, the Board unanimously resolved: (i) that the Arrangement is fair, from a financial point of view, to the Shareholders and is in the best interests of the Company and (ii) to approve the Arrangement and to recommend that Shareholders vote in favour of the Arrangement Resolution. The Company issued a press release announcing the proposed Arrangement on May 20, 2021.

Holders of options under the Current SOP have all consented and agreed to no adjustment resulting from the Arrangement. Accordingly, the Arrangement only includes Shareholders and holders (the “**Warrantholders**”) of the Company’s Common Share purchase warrants (the “**Warrants**”).

The Arrangement

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution to approve the Arrangement under the QBCA pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the final order of the Court under Chapter XVI – Division II of the QBCA (the “**Final Order**”) with the consent of the Company and Spinco, each acting reasonably. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed by the Company under its profile on SEDAR at www.sedar.com, and the Plan of Arrangement, which is attached to this Information Circular as Schedule “D”.

In order to implement the Arrangement, the Arrangement Resolution must be approved by at least two-thirds of the votes cast by the Shareholders. A copy of the Arrangement Resolution is set out in Schedule “C” of this Information Circular.

If the Arrangement is approved at the Meeting and the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at 12:01 a.m. (Montréal time)) (the “**Effective Time**”) on the effective date (the “**Effective Date**”) (which is expected to be on or about August 17, 2021 or shortly thereafter).

Principal Steps of the Arrangement

Under the Plan of Arrangement, commencing at the Effective Time, the following principal steps shall occur and shall be deemed to occur without any further act or formality, in the order and timing set out in the Plan of Arrangement:

- (a) at the Effective Time, pursuant to the an asset transfer agreement between CME and Spinco, CME will transfer the Spinco Property to Spinco in consideration for the issuance of 4,300,000 Spinco Shares by Spinco to CME;
- (b) CME shall undertake a reorganization of capital within the meaning of Section 86 of the *Income Tax Act* (Canada) (the “**Tax Act**”) as follows, with the following steps occurring in the following order:
 - (i) CME’s authorized share capital and its articles will be altered by:
 - A. renaming and redesignating all of the issued and unissued Common Shares as Class A Common Shares;
 - B. providing that the rights, privileges, restrictions and conditions attached to the Class A Common Shares are as follows:
 - (1) to two votes at all meetings of shareholders of CME except meetings at which only holders of a specified class of shares are entitled to vote and shall be entitled to one vote for each common share held;
 - (2) to receive, subject to the rights of the holders of another class of shares, any dividend declared by CME; and
 - (3) to receive, pari passu with the New Common Shares (as defined below), and subject to the rights of the holders of another class of shares, the remaining property of CME on the liquidation, dissolution or winding up of CME, whether voluntary or involuntary;
 - C. creating a new class consisting of an unlimited number of common shares without par value (the “**New Common Shares**”);
 - D. providing that the rights, privileges, restrictions and conditions attached to the New Common Shares are as follows:
 - (1) to vote at all meetings of shareholders of CME except meetings at which only holders of a specified class of shares are entitled to vote and shall be entitled to one vote for each common share held;
 - (2) to receive, subject to the rights of the holders of another class of shares, any dividend declared by CME; and

- (3) to receive, pari passu with the Class A Common Shares, and subject to the rights of the holders of another class of shares, the remaining property of CME on the liquidation, dissolution or winding up of CME, whether voluntary or involuntary;
- (ii) each Shareholder will exchange each Class A Common Share held at the Effective Time for (A) one New Common Share, and (B) the number of Spinco Shares equal to 4,300,000 divided by the total number of Common Shares issued and outstanding immediately prior to the Effective Time, and such Shareholders shall cease to be the holders of the Class A Common Shares so exchanged;
- (iii) the authorized share capital of CME is amended to delete the Class A Common Shares, none of which are issued and outstanding, and to delete the rights, privileges, restrictions and conditions attached to the Class A Common Shares; and
- (iv) the aggregate amount added to the stated capital of the New Common Shares issued pursuant to clause (b)(ii) above shall be equal to the amount if any, by which (A) the aggregate paid-up capital (as that term is defined for the purposes of the Tax Act) of the Class A Common Shares immediately prior to the Effective Time, exceeds (B) the fair market value of the Spinco Shares distributed to the Shareholders.
- No fractional shares will be issued and Shareholders will not receive any compensation in lieu thereof. The name of each Shareholder who is so deemed to exchange his, her or its Class A Common Shares, shall be removed from the securities register of Class A Common Shares with respect to the Class A Common Shares so exchanged and shall be added to the securities registers of New Common Shares and Spinco Shares as the holder of the number of New Common Shares and Spinco Shares deemed to have been received on the exchange;
- (c) each Warrantholder will be deemed to dispose of a portion of the exercise price of the Warrants held by such Warrantholder equal to the fair market value of a Spinco Share immediately prior to the Effective Time divided by the fair market value of a New Common Share immediately prior to the Effective Time (the “**Exercise Price Proportion**”) to Spinco and the remaining portion to CME, and as sole consideration therefor: (i) Spinco will notionally grant common share purchase warrants of Spinco (“**Spinco Warrants**”) to the Warrantholder; and (ii) CME will notionally grant replacement common share purchase warrants (“**Replacement Warrants**”) to the holder (collectively, the “**Warrant Exchange**”), such that, for each Common Share that the Warrantholder would have been entitled to acquire pursuant to a Warrant (and the terms of the Warrant certificate), the Warrantholder will instead be entitled to acquire: (i) one New Common Share; and (ii) the number of Spinco Shares equal to 4,300,000 divided by the total number of Common Shares issued and outstanding immediately prior to the Effective Time. For greater certainty, a Warrantholder will receive no consideration for the notional exchange of such Warrants for Replacement Warrants and Spinco Warrants. The original exercise price of a Warrantholder’s Warrants will be allocated to the Replacement Warrants and the Spinco Warrants notionally acquired by the holder pursuant to the Warrant Exchange such that an amount equal to the Exercise Price Proportion of such original exercise price (rounded up to the nearest whole cent) will be payable by the holder to Spinco and an amount equal to the remainder of such original exercise price (rounded up to the nearest whole cent) will be payable by the holder to CME; and
- (d) CME will surrender to Spinco for cancellation, the 100 Spinco Shares held by CME.

Treatment of Warrants

Each Warrant outstanding as the Effective Time will be deemed to be exchanged for a Replacement Warrant which will be exercisable at the exercise price of the Warrant it replaces, permitting the holder to acquire (i) one Common Share and (ii) the number of Spinco Shares equal to 4,300,000 divided by the total number of Common Shares issued

and outstanding immediately prior to the Effective Time. Except as otherwise provided in the Plan of Arrangement, the term, expiry, conditions to and manner of exercising, and all other terms and conditions of a Replacement Warrant will be the same as the Warrant for which it is exchanged.

The Replacement Warrants and the underlying securities issuable upon the exercise of the Replacement Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or under any U.S. state securities laws, and may not be exercised by or for the account or benefit of a U.S. person or a person within the United States absent an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

“**United States**” or “**U.S.**” means, as the context requires, the United States of America, its territories and possessions, any state of the United States, and/or the District of Columbia. “**U.S. person**” has the meaning ascribed to such term in Rule 902(k) of Regulation S under the U.S. Securities Act (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act., unless it is organized, or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. person).

Recommendation of the Board

After taking into consideration, among other things, the approval of the Court, the Board has concluded that the Arrangement is in the best interests of the Company and is fair to the Shareholders. **Accordingly, the Board recommends that Shareholders vote “FOR” the Arrangement Resolution. All directors and senior officers of the Company intend to vote all of their Common Shares in favour of the Arrangement Resolution, subject to the terms of the Arrangement Agreement.**

Reasons for the Arrangement

The Board has reviewed and considered an amount of information and considered a number of factors relating to the Arrangement with the benefit of advice from the Company’s senior management and its advisors. The following is a summary of the principal reasons for the recommendation of the Board that Shareholders vote “FOR” the Arrangement Resolution:

- ***Continued Participation by Shareholders in the Spinco Property through Spinco:*** Shareholders, through their ownership of Spinco Shares, will also participate in the Spinco Property. The Shareholders and the subscribers in the Spinco Financing will hold 100% of the issued Spinco Shares upon completion of the Arrangement. The funds raised from the Spinco Financing will be used by Spinco to pursue development of the Spinco Property. It is expected that certain of the current management of the Company will also participate as management of Spinco.
- ***Mineral Property Diversification:*** The creation of two separate companies dedicated to the pursuit of their respective businesses will provide Shareholders with diversification and increased liquidity for their investment portfolios, as they will hold a direct interest in two companies, each of which is focused on different mineral exploration assets.
- ***Approval of Shareholders and the Court are required:*** The following required approvals protect the rights of Shareholders: the Arrangement must be approved by at least two-thirds of the votes cast in respect of the Arrangement Resolution by Shareholders voting as a single class, present in person or represented by proxy at the Meeting; and the Arrangement must also be sanctioned by the Court, which will consider the fairness of the Arrangement to Shareholders.

In view of the wide variety of factors and information considered in connection with their evaluation of the Arrangement, the Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign

any relative weight to each specific factor or item of information considered in reaching their conclusions and recommendations. In addition, individual members of the Board may have given different weights to different factors or items of information.

Approval of the Arrangement Resolution

At the Meeting, Shareholders will be asked to approve the Arrangement Resolution, the full text of which is set out in Schedule “C” to this Information Circular. In order for the Arrangement to become effective, as provided in the Interim Order and by the QBCA, the Arrangement Resolution must be approved by at least two-thirds of the votes cast on the Arrangement Resolution by Shareholders. Should Shareholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

The Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement and recommends that each Shareholder vote “FOR” the Arrangement Resolution.

The Arrangement Agreement

The following is a summary of the principal terms of the Arrangement Agreement. It does not purport to be complete and is subject to, and qualified in its entirety by reference to the provisions of the Arrangement Agreement, a copy of which is available on the Company’s SEDAR profile at www.sedar.com.

Effective Date and Conditions of the Arrangement

If the Arrangement Resolution is passed, the Final Order of the Court is obtained approving the Arrangement, every requirement of the QBCA relating to the Arrangement has been complied with and all other conditions in the Arrangement Agreement are met or waived, the Arrangement will become effective at 12:01 a.m. (Montréal time) on the Effective Date. It is currently expected that the effective date of the Arrangement will be on or about August 17, 2021 or shortly thereafter.

Conditions to the Arrangement Becoming Effective

In order for the Arrangement to become effective, certain conditions must have been satisfied or waived which conditions are summarized below.

- the Interim Order and Final Order will have been obtained from the Court on terms acceptable to each of the parties and will not have been set aside or modified in a manner unacceptable to either of the parties, on appeal or otherwise;
- the Company and Spinco will have received all required approvals, including approval by the Shareholders of the Arrangement at the Meeting, approval by their respective boards of directors to the Arrangement, and approval of the CSE to the Arrangement, subject only to compliance with the usual conditions of that approval, if any;
- the issuance of the Spinco Shares to the Shareholders in the United States pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) of the U.S. Securities Act;
- the Company will have received confirmation from counsel that the delivery of the Spinco Shares to the Shareholders and the Replacement Warrants and Spinco Warrants to the Warranholders pursuant to the Arrangement will be exempt from the registration and prospectus requirements in each of the provinces and territories of Canada in which Shareholders and Warranholders are resident in Canada;
- there will not be in force any order or decree restraining or enjoining the completion of the transactions contemplated by this Arrangement Agreement or the Plan of Arrangement;

- none of the consents, orders, regulations or approvals contemplated by the Arrangement Agreement will contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by either of the parties hereto, acting reasonably;
- the Spinco Shares will have been conditionally approved for listing on the CSE;
- the Arrangement Agreement will not have been previously terminated; and
- the obligation of each party to complete the Arrangement is subject to the further condition that the covenants of the other parties will have been duly performed.

These conditions may be waived in accordance with the Arrangement Agreement.

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, by direction of the Board without further action on the part of Shareholders, or the board of directors of Spinco, and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion of the Board to terminate this Arrangement Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

Completion of the Arrangement

The Arrangement will become effective at 12:01 a.m. (Montréal time) on the date upon which all of the conditions to completion of the Arrangement as set out in the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement, all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and the filings required under the QBCA have been filed with the Registrar. Completion of the Arrangement is expected to occur on or about August 17, 2021; however, it is possible that completion may be delayed beyond this date if the conditions to completion of the Arrangement cannot be met on a timely basis.

Procedure for the Distribution of Certificates

Share Certificates

Assuming completion of the Arrangement, Shareholders holding Common Shares through an Intermediary are not required to take any action and Spinco Shares and New Common Shares will be delivered to the Intermediary through the procedures in place for such purposes between CDS & Co. or similar entities and such intermediaries. Shareholders holding Common Shares through an Intermediary should contact their Intermediary if they have questions regarding this process.

In the case of Registered Shareholders, as soon as practicable following the Effective Date, such Registered Shareholder must submit his/her/its Common Shares to the Transfer Agent with a duly completed Letter of Transmittal. Thereafter, the Transfer Agent and Spinco's transfer agent will cause to be delivered to Shareholders as of the Effective Date in accordance with the terms hereof and as described in the Letter of Transmittal, share certificates or DRS advices representing the aggregate New Common Shares and Spinco Shares to which such Shareholders are entitled following the Arrangement.

Fractional Shares

No fractional shares will be issued and Shareholders will not receive any compensation in lieu thereof.

Effects of the Arrangement on Shareholders' Rights

Shareholders receiving New Common Shares and Spinco Shares under the Arrangement will remain shareholders of the Company and will also become shareholders of Spinco. Spinco, like the Company, is a company governed by the QBCA.

Court Approval of the Arrangement

An arrangement under the QBCA requires approval of the Court.

Interim Order

On June 22, 2021, the Company obtained the Interim Order providing for the calling and holding of the Meeting and certain other procedural matters. The text of the Interim Order is set out in Schedule “E” to this Information Circular.

Final Order

Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, the Company intends to make an application to the Court for the Final Order.

The hearing on the Motion for the Final Order approving the Arrangement is currently scheduled for July 30, 2021 at 9:00a.m. (Montréal time), or as soon thereafter as counsel may be heard, at the Montréal Courthouse, or at any other date and time as the Court may direct. Any Shareholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the Motion for the Final Order must file and serve an appearance no later than 4:30pm (Montréal time) on July 27, 2021 along with any other documents required, all as set out in the Interim Order and the Notice of Presentation, the text of which are set out in Schedule “E” to this Information Circular, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those persons having previously filed and served a response to petition will be given notice of the adjournment.

The Court has broad discretion under the QBCA when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, the Company or Spinco may determine not to proceed with the Arrangement.

The Spinco Shares to be issued to Shareholders in exchange for their Common Shares pursuant to the Arrangement, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and will be issued and exchanged in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions provided under the Securities Laws of each state of the United States in which Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court will be advised prior to the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, the Spinco Shares to be received by Shareholders pursuant to the Arrangement will not require registration under the U.S. Securities Act pursuant to Section 3(a)(10) thereunder. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the Spinco Shares in exchange for the Common Shares pursuant to the Arrangement. See “*The Arrangement – Regulatory Law Matters and Securities Law Matters*” below.

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the form of Notice of Hearing of Petition attached at Schedule “E” to this Information Circular. The Notice of Hearing of Petition constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court.

Regulatory Approvals

The Common Shares are listed and posted for trading on the CSE. It is a condition of the Arrangement that the CSE conditional approval is obtained for the Arrangement.

Application will be made for the listing of the Spinco Shares on the CSE. Any listing will be subject to meeting initial listing requirements of the CSE. There can be no assurance as to if, or when, the Spinco Shares will be listed or traded on the CSE or any other stock exchange. It is a condition of the Arrangement that the CSE shall have approved the listing of the Spinco Shares on the CSE. As the Spinco Shares are not listed on a stock exchange, unless and until such a listing is obtained, holders of Spinco Shares may not have a market for their shares.

Regulatory Law Matters and Securities Law Matters

Other than the Final Order and the approvals of the CSE, the Company is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought. Any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, the Company currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date. Subject to receipt of the Shareholder approval of the Arrangement Resolution at the Meeting, receipt of the Final Order and the satisfaction or waiver of all other conditions specified in the Arrangement Agreement, the Effective Date is expected to be on or about August 17, 2021 or shortly thereafter.

Canadian Securities Law Matters

Each Shareholder is urged to consult such Shareholder’s professional advisors to determine the Canadian conditions and restrictions applicable to trades in the New Common Shares or Spinco Shares.

Status Under Canadian Securities Laws

The Company is a reporting issuer in the provinces of British Columbia, Alberta, Ontario and Québec and the Common Shares currently trade on the CSE.

Upon completion of the Arrangement, Spinco expects that it will be a reporting issuer in British Columbia, Alberta, Ontario and Québec. Application will be made for the listing of the Spinco Shares on the CSE. Any listing will be subject to meeting the initial listing requirements of the CSE. There can be no assurance as to if, or when, the Spinco Shares will be listed or traded on the CSE or any other stock exchange. It is a condition of the Arrangement that the CSE shall have approved the listing of the Spinco Shares on the CSE. As the Spinco Shares are not listed on a stock exchange, unless and until such a listing is obtained, holders of Spinco Shares may not have a market for their shares.

Distribution and Resale of New Common Shares and Spinco Shares under Canadian Securities Laws

The distribution of the New Common Shares and Spinco Shares pursuant to the Arrangement will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian securities legislation and is exempt from or otherwise is not subject to the registration requirements under applicable securities legislation. The New Common Shares and Spinco Shares (if listed) received pursuant to the Arrangement will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a “control distribution” as defined National Instrument 45-102 – *Resale of Securities* (“NI 45-102”), (ii) no unusual effort is made to prepare the market or to create a demand for the New Common Shares or the Spinco Shares, as the case may

be, (iii) no extraordinary commission or consideration is paid to a person or company in respect of such sale, and (iv) if the selling security holder is an insider or officer of the Company or Spinco, as the case may be, the selling security holder has no reasonable grounds to believe that the Company or Spinco, as the case may be, is in default of applicable Canadian securities laws.

The issuance pursuant to the Arrangement of the New Common Shares and the Spinco Shares, as well as all other issuances, trades and exchanges of securities under the Arrangement, will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable Canadian provincial securities legislation or, where required, exemption orders or rulings from various securities regulatory authorities in the provinces and territories of Canada where Shareholders are resident. The Company is currently a “reporting issuer” under the applicable securities legislation in the provinces of British Columbia, Alberta, Ontario and Québec. Under NI 45-102 (and if required, orders and rulings from various securities regulatory authorities in the provinces and territories of Canada where Shareholders are resident), the New Common Shares and Spinco Shares received by Shareholders pursuant to the Arrangement may be resold through registered dealers in Canadian provinces or territories without any “hold period” restriction (provided that no unusual effort is made to prepare the market or create a demand for these securities, no extraordinary commission or consideration is paid in respect of the sale and, if the seller is an insider or officer of the issuer, the seller has no reasonable grounds to believe that the issuer is in default of securities legislation). Resales of New Common Shares and Spinco Shares will, however, be subject to resale restrictions where the sale is made from the holdings of any person or combination of persons holding a sufficient number of New Common Shares or Spinco Shares, as the case may be, to affect materially the control of Company or Spinco, respectively.

United States Securities Law Matters

Resales of Spinco Shares within the United States after the Effective Time

The resale rules under the U.S. Securities Act applicable to Shareholders in the United States are summarized below. The following summary is a general overview of certain requirements of U.S. federal securities laws that may be applicable to Shareholders in the United States with respect to securities of Spinco that they may receive pursuant to or following the Arrangement. All Shareholders in the United States are urged to consult with their own legal counsel to ensure that any proposed resale or exercise of such Spinco Shares complies with applicable securities laws.

Non-Affiliates of Spinco

Shareholders in the United States who are not “affiliates” of Spinco at the time of, or within 90 days before, their resale of Spinco Shares and who were not “affiliates” of Spinco within 90 days prior to the Effective Date, may generally resell Spinco Shares without restriction under the U.S. Securities Act. An “affiliate” of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. “Control” means the possession, direct or indirect, of the power to direct or cause direction of the management and policies of an issuer, whether through the ownership of voting securities, by contract or otherwise. Typically, persons who are executive officers, directors or 10% or greater shareholders of an issuer are considered to be its “affiliates”.

Affiliates of Spinco

Shareholders in the United States who are affiliates of Spinco at the time of, or within 90 days before, their resale of Spinco Shares or who were affiliates of Spinco within 90 days prior to the Effective Date, will be subject to restrictions on resale imposed by the U.S. Securities Act with respect to the Spinco Shares. These Shareholders may not resell their Spinco Shares unless such securities are registered under the U.S. Securities Act or an exemption from registration is available, such as pursuant to Regulation S or Rule 144, if available, as follows:

- *Resale of Spinco Shares Pursuant to Regulation S.* In general, under Regulation S, persons who are affiliates of Spinco at the time of their resale of Spinco Shares solely by virtue of their status as an officer or director of Spinco may sell Spinco Shares outside of the United States in an “offshore transaction” (which would include a sale through the TSX, TSXV or CSE, if applicable) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States and no selling commission, fee or other

remuneration is paid in connection with such sale other than a usual and customary broker's commission. For purposes of Regulation S, "directed selling efforts" means "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered" in the sale transaction. Certain additional restrictions are applicable to a holder of Spinco Shares who is an affiliate of Spinco at the time of their resale of Spinco Shares other than by virtue of his or her status as an officer or director of Spinco.

- Resale of Spinco Shares Pursuant to Rule 144. In general, under Rule 144 under the U.S. Securities Act, if available, persons who are not affiliates of Spinco at the time of, or within 90 days before, their resale of Spinco Shares, will be entitled to sell Spinco Shares in the United States after the expiry of a one year holding period that will commence to toll on the Effective Date. Persons who are affiliates of Spinco at the time of, or within 90 days before, their resale of Spinco Shares will remain subject to additional restrictions under Rule 144, if available, even after the expiry of the one-year holding period, including certain volume limitations, specified restrictions on manner of sale, notice requirements, aggregation rules and the requirement that current public information about Spinco be available.

Each U.S. holder of Common Shares should consult its own tax advisor as to the particular tax consequences to it of the receipt of Spinco Shares pursuant to the spinout and the ownership and disposition of the Spinco Shares received, including the effects of applicable U.S. federal, state and local tax laws and non-U.S. tax laws and possible changes in tax laws.

Fees and Expenses

All expenses incurred in connection with the Arrangement and the Arrangement shall be paid by the party incurring such expense.

Interests of Certain Persons in the Arrangement

In considering the recommendation of the Board with respect to the Arrangement, Shareholders should be aware that the Company's senior management and the Board will participate in the Arrangement, to the extent they are Shareholders, in the same manner as Shareholders. There are no collateral benefits to be received by the directors or executive officers of the Company as a result of the Arrangement. Additionally, all outstanding stock options in the Company, the majority of which are held by directors and executive officers of the Company are being retained and all holders of outstanding stock options have agreed to forego any interest or right to receive Spinco options as part of the Arrangement.

Directors

The directors of the Company (other than directors who are also executive officers) hold, in the aggregate, 694,110 Common Shares, representing approximately 1.57% of the Common Shares outstanding on the Record Date. All of the Common Shares held by the directors will be treated in the same fashion under the Arrangement as Common Shares held by every other Shareholder.

Executive Officers

The executive officers of the Company hold, in the aggregate, 6,440,585 Common Shares representing approximately 14.59% of the Common Shares as of the Record Date. All of the Common Shares held by the executive officers of the Company will be treated in the same fashion under the Arrangement as Shares held by every other Shareholder.

Risks Associated with the Arrangement

In evaluating the Arrangement, Shareholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by the Company, may also adversely affect trading price of the New Common Shares, the Spinco Shares and/or the businesses of the

Company and Spinco following the Arrangement. In addition to the risk factors relating to the Arrangement set out below, Shareholders should also carefully consider the risk factors associated with the businesses of the Company and Spinco included in this Information Circular, the schedules to this Information Circular and in the documents incorporated by reference herein. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

The Arrangement Agreement may be Terminated in Certain Circumstances

Each of the Company and Spinco has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Arrangement Agreement will not be terminated by either the Company or Spinco before the completion of the Arrangement. For example, Spinco has the right, in certain circumstances, to terminate the Arrangement Agreement if changes occur that, in the aggregate, have an adverse material effect on the Company. Although an adverse material effect excludes certain events that are beyond the control of the Company (such as general changes in the global economy or changes that affect the mining industry generally and which do not have a materially disproportionate effect on the Company), there is no assurance that a change having an adverse material effect on the Company will not occur before the Effective Date, in which case Spinco could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

No Assurance that Conditions Precedent to Arrangement will be Satisfied

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of the Company, including satisfaction of the conditions precedent to the Arrangement and receipt of the Final Order. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Costs of Arrangement

The Company will incur costs even if the Arrangement is not completed. Certain costs related to the Arrangement, such as legal and accounting fees, must be paid by the Company even if the Arrangement is not completed. The Company is liable for its costs incurred in connection with the Arrangement.

Price of Common Shares

If the Arrangement is not approved by the Shareholders, the market price of the Common Shares may decline to the extent that the current market price of the Common Shares reflects a market assumption that the Arrangement will be completed.

Withholding Tax Obligations

If the Company determines that a deemed dividend arose as a consequence of the Arrangement, the Company will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Shareholder (including the Spinco Shares) such amounts as the Company is required or permitted to deduct and withhold under the Tax Act. To the extent that the Company is required to deduct and withhold from consideration, including the Spinco Shares, the Company is entitled to liquidate such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations (including any applicable interest and penalties). Any such sales may negatively impact the trading price of the Spinco Shares (if listed). See also “*Certain Canadian Federal Income Tax Considerations*”.

Listed Status of Spinco Shares and other shares

Although an application will be made to the CSE for listing of the Spinco Shares on the CSE, there is no assurance when, or if, the Spinco Shares will be listed on the CSE or on any other stock exchange. If the Spinco Shares are not listed on a “designated stock exchange”, as defined in the Tax Act (which currently includes the CSE) upon issuance, or if Spinco does not otherwise satisfy the conditions in the Tax Act to be a “public corporation” as of the relevant time, the Spinco Shares will not be considered to be a “qualified investment” under the Tax Act for a Registered Plan

(as defined under “*Certain Canadian Federal Income Tax Considerations – Residents of Canada - Eligibility for Investment*”).) from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences are expected to arise for the Registered Plan and the annuitant under the Registered Plan, not discussed in this Circular. See also “*Certain Canadian Federal Income Tax Considerations – Residents of Canada - Eligibility for Investment*”.

The Canadian federal income tax considerations described under “*Certain Canadian Federal Income Tax Considerations*” also assume that the Common Shares, Class A Common Shares and New Common Shares of the Company will be listed on the CSE at all relevant times, and although the Company anticipates that this will be the case, listing is subject to all relevant requirements of the CSE and the acceptance of listed status by the CSE (or the Canada Revenue Agency) as of any particular time cannot be guaranteed. Adverse tax implications where relevant shares are not so listed at all relevant times are not discussed in this Circular. See also “*Certain Canadian Federal Income Tax Considerations*”.

Repurchase Rights

Shareholders will not be entitled to exercise a repurchase right under the Plan of Arrangement and accordingly, the repurchase rights contemplated in Section 416 of the QBCA and set out in Sections 372 to 388 of the QBCA do not apply to the Arrangement.

The Company acknowledges that the Shareholders are offered repurchase rights in many plan of arrangement transactions. Shareholders will not be entitled to exercise repurchase rights in this instance because the Company financing such a right would represent an excessive and unnecessary drain on its cash resources or assets that could be readily liquidated, in view of the nature of the Arrangement.

INFORMATION CONCERNING SPINCO

Spinco is currently a wholly-owned subsidiary of the Company that has been organized to acquire and hold the Spinco Property. The registered and records office of Spinco is located at 866 3e Avenue, Val d'Or, Québec, J9P 1T1. Upon completion of the Arrangement and the Arrangement, Spinco expects that it will be a reporting issuer in British Columbia, Alberta, Ontario and Québec and will hold the Spinco Property and the net proceeds of the Spinco Financing in cash. An application will be made for listing of the Spinco Shares on the CSE. Any listing will be subject to meeting CSE original listing requirements and there is no assurance such a listing will be obtained.

Upon completion of the Arrangement, each Shareholder will become a shareholder of Spinco. Information relating to Spinco after the Arrangement is contained in Schedules “G”, “H” and “I” to this Information Circular.

CERTAIN REGULATORY AND OTHER MATTERS RELATING TO THE ACQUISITION

MI 61-101

Related Party Transaction

As a reporting issuer in the provinces of British Columbia, Alberta, Ontario and Québec, the Company is subject to the requirements of MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors.

The protections of MI 61-101 generally apply to “related party transactions” where an issuer enters into a transaction with a related party. Stéphane Leblanc is an officer of the Company, a director of TM and a TM Shareholder holding more than 10% of the issued and outstanding TM Shares. Beat Frei is an officer of the Company, a director of TM and a TM Shareholder holding more than 10% of the issued and outstanding TM Shares. Michel Gagnon is a director of the Company and a director of TM. As such, the Company and TM are considered “related parties” as defined in

MI 61-101. Consequently, the issuances of Common Shares in exchange for TM Shares in connection with the Acquisition is a “related party transaction”.

Background to the Acquisition

See “*Information Concerning the Acquisition – Background to the Acquisition*”.

Prior Valuations

No “prior valuation” (as such term is defined in MI 61-101) relating to the subject of the Acquisition or otherwise relevant to the Acquisition has been made in the 24 months preceding the date of this Information Circular, the existence of which is known after reasonable inquiry, to the Company or to any director or senior officer of the Company.

Board Review Process

See “*Information Concerning the Acquisition – Background to the Acquisition*”.

Valuation Exemption

MI 61-101 requires formal valuations for “related party transactions” unless the transaction meets one of the prescribed exemptions from the formal valuation requirements. The Company is relying on the valuation exemption in Section 5.5(b) of MI 61-101 in connection with the Acquisition on the basis that the Common Shares are not listed on a specified market as a result of being listed on the CSE.

Minority Shareholder Approval

MI 61-101 requires that, in addition to any other required securityholder approval, a related party transaction is subject to “minority approval” (as defined in MI 61-101) of every class of “affected securities” (as defined in MI 61-101) of the Company. The Common Shares are “affected securities” in connection with the Acquisition for the purposes of MI 61-101.

As a result, the Acquisition Resolution requires the affirmative vote of a majority of the votes cast by Shareholders voting in person or by proxy at the Meeting and entitled to vote on the Acquisition Resolution, excluding, in accordance with the requirements of MI 61-101, Common Shares beneficially owned, or over which control or direction is exercised by: (i) the Company; (ii) an “interested party” (as defined in MI 61-101); (iii) a “related party” (as defined in MI 61-101) of an interested party; and (iv) any person that is a “joint actor” (as defined in MI 61-101) with any Person under (ii) or (iii) above.

A related party is an “interested party” if the related party: (i) is a party to the transaction, unless it is a party only in its capacity as a holder of affected securities and is treated identically to the general body of holders in Canada of securities of the same class on a per security basis, or (ii) is entitled to receive, directly or indirectly, as a consequence of the transaction (A) a collateral benefit, or (B) a payment or distribution made to one or more holders of a class of equity securities of the Company if the Company has more than one outstanding class of equity securities, unless the amount of that payment or distribution is not greater than the entitlement of the general body of holders in Canada of every other class of equity securities of the Company in relation to the voting and financial participating interests in the Company represented by the respective securities.

As each of Stéphane Leblanc, Beat Frei and Michel Gagnon is a TM Shareholder and a party to the Acquisition, it is an “interested party” under MI 61-101. 9248-7792 Québec Inc. is a private company controlled by Mr. Leblanc. Patricia Lafontaine is the wife of Mr. Leblanc. Comfortra GmbH is a company controlled by Mr. Frei. Vega Capital Inc. is a company controlled by Mr. Gagnon.

Based on the foregoing, to the knowledge of the Company after reasonable inquiry, as at the date hereof, the votes of the following persons are required to be excluded for the purposes of “minority approval” of the Transaction Resolution in accordance with MI 61-101.

Name of Shareholder	Number of Common Shares Beneficially Owned, or Controlled or Directed ⁽¹⁾	Percentage of Outstanding Common Shares ⁽²⁾
Stéphane Leblanc	353,910 ⁽³⁾	0.80%
9248-7792 Québec Inc.	1,363,775 ⁽⁴⁾	3.09%
Patricia Lafontaine	15,400	0.03%
Beat Frei	2,055,000 ⁽⁵⁾	4.65%
Comfortra GmbH	2,620,000 ⁽⁶⁾	5.93%
Michel Gagnon	275,786 ⁽⁷⁾	0.62%
Vega Capital Inc.	318,324 ⁽⁸⁾	0.72%
Total	7,002,195	15.86%

Notes:

- (1) Information based on the System for Electronic Disclosure by Insiders (SEDI) and information provided by the Interested Shareholders.
- (2) Based on 44,149,794 issued and outstanding Common Shares of the Company, on a non-diluted basis.
- (3) Excludes 165,000 options to purchase Common Shares held by Stéphane Leblanc.
- (4) Excludes 276,666 Common Share purchase warrants held by 9248-7792 Québec Inc., a corporation controlled by Mr. Leblanc.
- (5) Excludes 1,000,000 Common Share purchase warrants held by Beat Frei.
- (6) Excludes 2,250,000 Common Share purchase warrants held by Comfortra GmbH, a company controlled by Mr. Frei.
- (7) Excludes: (i) 90,000 options to purchase Common Shares held by Michael Gagnon and (ii) 140,000 Common Share purchase warrants held by Mr. Gagnon.
- (8) Excludes 276,667 Common Share purchase warrants held by Vega Capital Inc., a private company beneficially wholly-owned and controlled by Mr. Gagnon.

Form 62-104F2 Disclosure

Section 5.3(3) of MI 61-101 requires that the information circular sent to shareholders in connection with the meeting at which minority approval of a related party transaction is sought, must include the disclosure required by Form 62-104F2 *Issuer Bid Circulars* of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, to the extent applicable and with the necessary modifications. The Company has determined that the following items of Form 62-104F2 are applicable to the Transaction.

Consideration

See the heading “*Information Concerning the Acquisition – Share Purchase Agreement*”.

Purpose of the Transaction

See the heading “*Information Concerning the Acquisition – Reasons for the Acquisition*”.

Trading of the Securities to be Acquired

The TM Shares are not listed for trading on any stock exchange.

Ownership of the Securities of the Company

To the knowledge of the Company, after reasonable inquiry, the following table indicates, as at April 30, 2021, the number of securities of the Company beneficially owned or over which control or direction is exercised, by each director and officer of the Company and, after reasonable inquiry, by (i) each associate or affiliate of an insider of the Company, (ii) each associate or affiliate of the Company, (iii) an insider of the Company (other than a director or officer of the Company); and (d) each person acting jointly or in concert with the Company.

Name	Relationship with Company	Common Shares		Options		Warrants	
		Number	Percentage of issued and outstanding ⁽¹⁾	Number	Percentage of issued and outstanding ⁽²⁾	Number	Percentage of issued and outstanding ⁽³⁾
Michel Gagnon	Director	594,110 ⁽⁴⁾	1.35%	35,000	12.28%	Nil	N/A
Yves Rougerie	Director	100,000	0.23%	Nil	N/A	Nil	N/A
Pierre Renaud	Director	71,502	0.16%	30,000	10.53%	Nil	N/A
Stéphane Leblanc	President and CEO	1,733,085 ⁽⁶⁾	3.93%	95,000	33.33%	276,666 ⁽⁷⁾	1.70%
Patsie Ducharme	CFO	32,500	0.07%	50,000	17.54%	Nil	N/A
Guy Simard	Director	Nil	N/A	55,000	19.30%	Nil	N/A
Beat Frei	Vice President Development & Project Finance	4,675,000 ⁽⁸⁾	10.59%	Nil	N/A	3,250,000 ⁽⁹⁾	20.00%

Notes:

- (1) Based on 44,149,794 Common Shares issued and outstanding as of April 30, 2021.
- (2) As of April 30, 2021, there were 285,000 options of the Company issued and outstanding.
- (3) As of April 30, 2021, there were 16,252,000 Warrants issued and outstanding.
- (4) Of which 318,324 Common Shares are held by Vega Capital Inc., a private company beneficially wholly owned and controlled by Michel Gagnon.
- (5) Includes: (i) 140,000 Common Share purchase warrants held by Michel Gagnon and (ii) 276,667 Common Share purchase warrants held by Vega Capital Inc.
- (6) Includes: (i) 353,910 Common Shares held by Stéphane Leblanc, (ii) 1,363,775 Common Shares held by 9248-7792 Québec Inc., a corporation controlled by Mr. Leblanc and (iii) 15,400 Common Shares held by Patricia Lafontaine.
- (7) These Common Share purchase warrants are held by 9248-7792 Québec Inc., a private company controlled by Stéphane Leblanc.
- (8) Includes: (i) 2,055,000 Common Shares held by Beat Frei and (ii) 2,620,000 Common Shares held by Comfortra GmbH, a company controlled by Mr. Frei.
- (9) Includes: (i) 1,000,000 Common Share purchase warrants held by Beat Frei and (ii) 2,250,000 Common Share purchase warrants held by Comfortra GmbH.

Commitments to Acquire Securities of the Company

The Company has no agreements, commitments or understandings to acquire securities of the Company. To the knowledge of the Company, after reasonable inquiry, no person named under the heading “*Certain Regulatory and Other Matters Relating to the Acquisition – Form 62-104F2 Disclosure – Ownership of Securities of the Company*” has any agreement, commitment or understanding to acquire securities of the Company, other than to acquire Common Shares pursuant to the exercise of options or Warrants held by such persons.

Acceptance of the Transaction

All of the directors and officers of the Company (and their respective associates and affiliates) as set forth under the heading “*Certain Regulatory and Other Matters Relating to the Acquisition – Form 62-104F2 Disclosure – Ownership of Securities of the Company*” entitled to vote on the Acquisition and who hold approximately 0.46% of the issued and outstanding Common Shares have indicated a present intention to vote in favour of the Acquisition Resolution.

The intentions of the directors and officers of the Company and their respective associates or affiliates as described above may change or Common Shares may be sold on the CSE prior to the Meeting.

As each of the Interested Shareholders is a principal of the Company and a TM Shareholder, they are each a related party of the Company and the Acquisition, and the transactions contemplated thereunder, constitute related party

transactions, which require minority shareholder approval in accordance with MI 61-101. In determining minority approval for the Acquisition Resolution under MI 61-101, the votes to any Common Shares owned by the Interested Shareholders and their related parties must be excluded from the approval of the Acquisition Resolution.

Material Changes in the Affairs of the Company

Other than disclosed herein, there are no proposals or plans for material changes in the affairs of the Company.

Previous Purchases and Sales

On February 22, 2021, the Company completed a non-brokered private placement of 25,350,000 units of the Company at a price of \$0.08 per unit for aggregate gross proceeds of \$2,028,000. Each unit was comprised of one Common Share and one-half of one non-transferable Common Share purchase warrant, with each whole warrant entitling the holder thereof to purchase one Common Share for a period of 24 months from the closing date at an exercise price of \$0.15.

Financial Statements

A copy of the Company's most recent financial statements are currently available on SEDAR at www.sedar.com. A copy of these financial statements will be sent without charge to any person requesting them.

Valuation

See the headings "*Certain Regulatory and Other Matters Relating to the Acquisition – Form 62-104F2 Disclosure – Prior Valuations*" and "*Certain Regulatory and Other Matters Relating to the Acquisition – Form 62-104F2 Disclosure – Formal Valuation Exemption*".

Securities of the Company to be Exchanged for Others

See "*Information Concerning the Acquisition - Share Purchase Agreement*".

Approval of the Transaction

This Information Circular has been approved by the Board and its delivery to the Shareholders has been authorized by the directors. For more details, see the heading "*Certain Regulatory and Other Matters Relating to the Acquisition – Form 62-104F2 Disclosure – Board Review Process*".

Dividend Policy

The Company has not declared dividends on any of its securities in the past two years and does not intend to pay any in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Board deems relevant.

Expenses of Transaction

All expenses incurred in connection with the Acquisition and the transactions contemplated thereby shall be paid by the party incurring such expenses.

Solicitations

See the heading "*General Proxy Information – Solicitation of Proxies*".

Other Material Facts

There are no material facts concerning the Common Shares or other matter not disclosed in this Information Circular that has not been generally disclosed, is known to the Company and would reasonably be expected to affect the decision of the Shareholders of the Company as to voting on the Acquisition.

NOTE TO UNITED STATES SECURITYHOLDERS

The Arrangement and the securities to be issued in connection with the Arrangement have not been approved or disapproved by the United States Securities Exchange Commission (the "SEC") or securities regulatory authorities in any state in the United States, nor has the SEC or the securities regulatory authorities of any

state in the United States passed upon the fairness or merits of the Arrangement or upon the adequacy or accuracy of this Information Circular. Any representation to the contrary is a criminal offence.

The Spinco Shares to be issued by Spinco to Shareholders in the United States pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in the Section 3(a)(10) thereunder on the basis of the approval of the Court, and corresponding exemptions under the securities laws of each state of the United States in which Shareholders in the United States are domiciled.

The exemption from registration under Section 3(a)(10) of the U.S. Securities Act exempts from registration the issuance of any securities issued in exchange for one or more bona fide outstanding securities where, among other things, the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing at which the fairness of the terms and conditions of such exchange are approved at which all persons to whom it is proposed to issue securities in such exchange have the right to appear and receive timely and adequate notice thereof. The Court issued the Interim Order on June 22, 2021 and, subject to the approval of the Arrangement by the Shareholders, a hearing for the Final Order approving the Arrangement will be held at 9:00a.m. (Montréal time) on July 30, 2021 (or as soon thereafter as legal counsel can be heard) at the Montréal Courthouse. **All Shareholders are entitled to appear and be heard at this hearing.** Accordingly, the Final Order, if granted by the Court after the Court considers the substantive and procedural fairness of the Arrangement to the Shareholders, will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereunder with respect to the Spinco Shares to be issued in connection with the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

The Spinco Shares to be issued to Shareholders in the United States under the Arrangement will be freely transferable under U.S. federal securities laws, except that the U.S. Securities Act imposes restrictions on the resale of securities received pursuant to the Arrangement by persons who: (a) are, or within the 90 days immediately before such resale were, “affiliates” (as such term is understood under U.S. securities laws) of Spinco; or (b) were “affiliates” of Spinco within 90 days prior to the Effective Date. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such Spinco Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Shareholders in the United States who are affiliates of Spinco solely by their status as an officer or director of Spinco may sell their Spinco Shares outside of the United States in compliance with Regulation S under the U.S. Securities Act (“**Regulation S**”). See “*Regulatory Law Matters and Securities Law Matters – United States Securities Law Matters*”.

Shareholders should be aware that the acquisition by Shareholders of the Spinco Shares pursuant to the Arrangement described herein may have tax consequences both in Canada and the United States. Such consequences for Shareholders may not be described fully herein. Shareholders are advised to review the summary contained in this Information Circular under the heading “*Certain Canadian Federal Income Tax Considerations*”, and all Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

CME is a company existing under the laws of Québec, Canada. The solicitation of CME proxies is being made and the transactions contemplated herein is undertaken by a Canadian issuer in accordance with Canadian corporate and securities laws and is not subject to the requirements of Section 14(a) of the United States *Securities Exchange Act of 1934*, as amended (the “**Exchange Act**”), by virtue of an exemption applicable to proxy solicitations by “foreign private issuers” (as defined in Rule 3b-4 under the Exchange Act). Accordingly, this Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada, and the solicitations and transactions contemplated in this Information Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, which are different from the requirements applicable to proxy solicitations under the Exchange Act. Shareholders should be aware that disclosure requirements under such Canadian laws are different from requirements under United States corporate and securities laws relating to issuers organized

under United States laws, and this Information Circular has not been filed with or approved by the SEC or the securities regulatory authority of any state within the United States.

The enforcement by Shareholders in the United States of civil liabilities under United States federal securities laws may be affected adversely by the fact that each of the Company and Spinco are incorporated in jurisdictions outside the United States, certain of their directors and executive officers are residents of Canada and all of their assets and the assets of such persons are located outside the United States. Shareholders in the United States may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court. As a result, it may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon the Company, Spinco, their respective officers or directors or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, Shareholders resident in the United States should not assume that Canadian courts: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the securities laws of the United States or “blue sky” laws of any state within the United States.

The financial statements of Spinco included herein have been prepared in accordance with IFRS and are subject to Canadian auditing and auditor independence standards. As a result, such financial statements and financial information of Spinco may not be comparable to and may differ in material ways to financial statements prepared in accordance with U.S. GAAP and United States auditing and auditor independence standards. U.S. Holders of Common Shares should consult with their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and of how those differences might affect the financial information presented herein.

Information concerning the Spinco Property publicly available and filed on SEDAR by CME, uses terms that comply with reporting standards in Canada, which differ from the requirements of United States securities Laws. Mineral reserve and mineral resource estimates included or incorporated by reference in this Information Circular have been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum definitions and classification system (the “**CIM Standards**”). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the current requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference in this Information Circular may not be comparable to similar information disclosed by United States companies.

Information concerning descriptions of mineralization and resources publicly available and filed on SEDAR by CME may not be comparable to information made public by U.S. companies subject to the current reporting and disclosure requirements of the SEC. The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are being registered with the SEC under the U.S. Securities Act or are subject to reporting requirements under the Exchange Act. These amendments became effective February 25, 2019 (the “**SEC Modernization Rules**”). The SEC Modernization Rules have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7 (“**Guide 7**”), which will be rescinded following a transition period and after the required compliance date of the SEC Modernization Rules. The SEC Modernization Rules include the adoption of definitions of the following terms, which are substantially similar to the corresponding terms presented in public filings by Canadian mineral exploration and mining companies and available on SEDAR:

- feasibility study;
- indicated (mineral) resource;
- inferred (mineral) resource;

- mineral reserve;
- mineral resource; and
- preliminary feasibility study (or pre-feasibility study).

As used in such SEDAR filings, such terms have the meanings ascribed to them under the Canadian Institute of Mining, Metallurgy and Petroleum (“**CIM**”) Definition Standards on Mineral Resources and Mineral Reserves, as adopted by the CIM Council and as amended (the “**CIM Definition Standards**”).

As a result of the adoption of the SEC Modernization Rules, the SEC will now recognize estimates of “indicated mineral resources” and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be “substantially similar” to the corresponding CIM definitions.

United States investors are cautioned that while the above terms are “substantially similar” to CIM definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral resources that the Company may report under NI 43-101 would be the same had the Company prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC will now recognize “indicated mineral resources” and “inferred mineral resources”, investors should not to assume that all or any part of the mineral deposits in these categories would ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any mineral resources that the Company reports are or will be economically or legally mineable.

Further, “inferred resources” have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, and, if they do exist, that they will be economically or legally mineable. In accordance with Canadian securities laws, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

In addition, disclosure of “contained ounces” is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report mineralization as in place tonnage and grade without reference to unit measures.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Information Circular and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Shareholder who (i) is a beneficial owner of Common Shares who participates in the Arrangement and who, for purposes of the Tax Act and at all relevant times: (ii) holds Common Shares, and will hold all Class A Common Shares, New Common Shares and Spinco Shares held or acquired pursuant to the Arrangement as capital property, and (iii) deals at arm’s length with each of the Company and Spinco and is not affiliated with the Company or Spinco. A Shareholder who meets all of the foregoing requirements is referred to as a “**Holder**” in this summary, and this summary only addresses such Holders. **Warrantholders are not addressed in this summary, and should consult their own tax advisors with respect to the tax considerations relevant to them under the Arrangement.**

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Tax Regulations**”) in force on the date hereof, and our understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”). The summary takes into account all specific proposals to

amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and assumes that all Tax Proposals will be enacted in the form proposed. However, there is no certainty that the Tax Proposals will be enacted in the form currently proposed, if at all. The summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or other changes in administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may materially differ from Canadian federal income tax legislation or considerations.

This summary is not applicable to: (a) a Holder that is a “financial institution” for purposes of the mark-to-market rules under the Tax Act, (b) a Holder that is a “specified financial institution”, as defined in the Tax Act, (c) a Holder an interest in which is, or whose Common Shares, Class A Common Shares, New Common Shares or Spinco Shares (collectively, “**Subject Securities**”) are, a “tax shelter” as defined in the Tax Act, or a “tax shelter investment” as defined in the Tax Act, (d) a Holder that has elected to report its “Canadian tax results”, as defined in the Tax Act, in a currency other than Canadian currency, (e) a Holder that has entered or will enter into, in respect of any of the Subject Securities, a “derivative forward agreement” or a “synthetic disposition arrangement”, each as defined in the Tax Act, (f) a Holder that will receive dividends on any of the applicable Subject Securities, under or as part of a “dividend rental arrangement”, as defined in the Tax Act, (g) a Holder that is a “foreign affiliate” of a taxpayer resident in Canada, as defined in the Tax Act, (h) a Holder that is a corporation resident in Canada and is, or becomes, or does not deal at arm’s length with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the New Common Shares and the Spinco Shares, controlled by a non-resident person or entity (or group of non-resident persons or entities not dealing at arm’s length for purposes of the Tax Act) for purposes of the “foreign affiliate dumping” rules of the Tax Act, or (i) any other Holder of special status or in special circumstances. **All such Holders should consult their own tax advisors to determine the particular income tax consequences to them of the Arrangement. In addition, this summary does not address the tax considerations relevant to Holders who acquired their Common Shares on the exercise of an employee stock option, and such Holders should also consult their own tax advisors.**

For purposes of this summary, it has been assumed that the Class A Common Shares will be represented for listing purposes on the CSE (and so be considered listed on the CSE at all relevant times) by the continued listing of the Common Shares, that New Common Shares will be listed for trading on the CSE upon issuance simultaneously and without interruption with the delisting of such Common Shares, and that the CRA will respect the listed status on the CSE of the Common Shares, Class A Common Shares and New Common Shares at all relevant times, although listing is subject to all relevant conditions of the CSE and the acceptance of listed status by the CSE or the CRA as of any particular time cannot be guaranteed. No tax ruling or legal opinion has been sought or obtained in this regard or with respect to any assumptions or provisos contained in this summary. The discussion below is qualified accordingly. For purposes of this summary, a reference to Common Shares may include a reference to Class A Common Shares where the context requires, and unless otherwise indicated.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal, business or tax advice or representations to any particular Shareholder. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

Residents of Canada

This part of the summary is applicable, subject to the discussion under “General” above, to Holders who, for the purposes of the Tax Act and at all relevant times, are resident, or deemed to be resident, in Canada (herein, “**Resident Holders**”).

Amendment to the Articles of the Company and the Re-designation of Common Shares

Consistent with our understanding of the administrative position of the CRA, the amendments, pursuant to the Arrangement, to the authorized share structure and articles of the Company to rename and redesignate the Common Shares as Class A Common Shares and to create special rights and restrictions attached thereto should not, in and of

itself, result in Resident Holders being deemed to have disposed of their Common Shares or otherwise constitute a taxable event for the purposes of the Tax Act, and the summary is based on this assumption. As such, the “adjusted cost base” (“**ACB**”), within the meaning of the Tax Act, to a Resident Holder of their Common Shares immediately prior to such amendments should continue to be the ACB of their Class A Common Shares immediately after such amendments.

Exchange of Common Shares for New Common Shares and Spinco Shares

Resident Holders will be considered to have disposed of their Common Shares (redesignated as Class A Common Shares) on the exchange of their shares for New Common Shares and Spinco Shares pursuant to the Arrangement and the related amendment to the articles of the Company. These transactions are understood and assumed to be considered to occur “in the course of a reorganization of capital” of the Company within the meaning of Section 86 of the Tax Act consistent with our understanding of the administrative position of the CRA, and the summary is based on this assumption (herein, the “**Share Exchange**”). No tax ruling or legal opinion has been sought or obtained in this regard or with respect to any assumptions or provisos contained in this summary.

A Resident Holder who exchanges Class A Common Shares for New Common Shares and Spinco Shares will realize a capital gain equal to the amount, if any, by which the aggregate fair market value of those Spinco Shares at the effective time of the Share Exchange, less the amount of any taxable dividend deemed to be received by the Resident Holder as described below (if any), exceeds the ACB of the Resident Holder’s Class A Common Shares determined immediately before the Share Exchange. Any capital gain so realized will be taxable as described below under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

A Resident Holder who exchanges Class A Common Shares for New Common Shares and Spinco Shares pursuant to the Share Exchange will be deemed to have received a taxable dividend equal to the amount, if any, by which the aggregate fair market value of the Spinco Shares received by the Resident Holder pursuant to the Share Exchange at the time of the Share Exchange exceeds the “paid-up capital” (as defined in the Tax Act) (“**PUC**”) of the Resident Holder’s Class A Common Shares determined at that time. See the heading “*Certain Canadian Federal Income Tax Considerations - Holders Resident in Canada - Dividends on Shares*” below for a general description of the taxation of dividends under the Tax Act. However, although the Company has not made a full or final determination of the PUC and the result cannot be guaranteed, the Company expects that the aggregate fair market value of all Spinco Shares distributed pursuant to the Share Exchange under the Arrangement will not exceed the aggregate PUC of the Class A Common Shares. Accordingly, the Corporation does not expect that a Resident Holder will be deemed to receive a taxable dividend on the Share Exchange, although this result cannot be guaranteed. The aggregate cost to a Resident Holder of the New Common Shares acquired on the share exchange will be equal to the amount, if any, by which the ACB of the Resident Holder’s Class A Common Shares, immediately before the exchange, exceeds the fair market value, at the time of the exchange, of the Spinco Shares acquired by such Resident Holder on the Share Exchange. The aggregate cost to a Resident Holder of the Spinco Shares acquired on the Share Exchange will be equal to the fair market value of the Spinco Shares at the time of exchange. A Resident Holder who acquires Spinco Shares pursuant to the Arrangement and who holds other Spinco Shares (which is not expected to be the case) will generally be subject to the detailed cost averaging rules in the Tax Act in determining the ACB to the Resident Holder of each Spinco Share. Such Resident Holders should consult with their own tax advisors.

Dividends on Shares

A Resident Holder who is an individual will be required to include in income any dividends received or deemed to be received on the Resident Holder’s Common Shares, New Common Shares or Spinco Shares, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by the Company or Spinco, as the case may be, as “eligible dividends”, as defined in the Tax Act. There may be limitations on the Company’s or Spinco’s ability to so designate a dividend (if any) as an “eligible dividend”, and neither corporation has made any commitments in this regard.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on the Resident Holder’s Common Shares, New Common Shares or Spinco Shares, but generally will be entitled to deduct an equivalent amount in computing its taxable income, subject to all restrictions and limitations

under the Tax Act. In the event that a dividend is deemed to have been received on the exchange of Class A Common Shares for New Common Shares and Spinco Shares under the Arrangement, Resident Holders that are corporations may wish to consult their tax advisors on the tax consequences of the deemed receipt of such a dividend, including the potential application of subsection 55(2) of the Tax Act that may result in a portion or all of such deemed dividend being treated as a capital gain, depending on the circumstances.

A “private corporation” or a “subject corporation” (as defined in the Tax Act) may be liable to a special tax under Part IV of the Tax Act (refundable in certain circumstances) on any dividend that it receives or is deemed to receive on Common Shares, New Common Shares or Spinco Shares, to the extent that the dividend is deductible in computing the corporation’s taxable income. A Resident Holder that is a “Canadian-controlled private corporation” at a relevant time for purposes of the Tax Act may be subject to a special tax (refundable in certain circumstances) on its “aggregate investment income” which includes dividends that are not deductible in computing taxable income.

Taxable dividends received by a Resident Holder that is an individual or trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act.

Disposition of New Common Shares and Spinco Shares

A Resident Holder that disposes or is deemed to dispose of a New Common Share or a Spinco Share in a taxation year generally will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the New Common Share or Spinco Share, as the case may be, exceed (or are less than) the sum of the Resident Holder’s ACB of such New Common Share or Spinco Share, as the case may be, determined immediately before the disposition and any reasonable costs of disposition. See “*Taxation of Capital Gains and Losses*” below.

Taxation of Capital Gains and Losses

Generally, a Resident Holder will be required to include in computing the Resident Holder’s income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Resident Holder in that year. A Resident Holder will generally be entitled to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

Where a Resident Holder is a corporation, the amount of any capital loss arising on a disposition or deemed disposition of any New Common Share or Spinco Share, as the case may be, may be reduced by the amount of dividends received or deemed to have been received by it on such New Common Share or Spinco Share, as the case may be, to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns New Common Shares or Spinco Shares, as the case may be, or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns such securities. Resident Holders that may be affected by these rules should consult their own tax advisors.

A Resident Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be required to pay a special tax (refundable in certain circumstances) on certain investment income, which includes taxable capital gains.

Capital gains realized by a Resident Holder that is an individual or trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act.

Eligibility for Investment

Subject to the provisions of any particular plan, the Class A Common Shares and New Common Shares will, when issued pursuant to the Arrangement, constitute qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered disability

savings plan (“**RDSP**”), a registered education savings plan (“**RESP**”), a tax-free savings account (“**TFSA**”) or a deferred profit sharing plan (collectively, “**Registered Plans**”), provided that, at such time, the Class A Common Shares and New Common Shares are listed on a “designated stock exchange”, within the meaning of the Tax Act (which currently includes the CSE) or the Company is otherwise a “public corporation” as defined in the Tax Act. The Company expects that the Class A Common Shares and New Common Shares will be listed on the CSE at all relevant times and therefore be qualified investments as described above at the time such shares are issued pursuant to the Arrangement, although listing is subject to all relevant conditions of the CSE and the acceptance of listed status by the CSE as of any particular time cannot be guaranteed.

Subject to the provisions of any particular plan, the Spinco Shares will constitute qualified investments under the Tax Act for a Registered Plan at a particular time if and provided that, at such time, the Spinco Shares are listed on a “designated stock exchange”, within the meaning of the Tax Act (which currently includes the CSE) or Spinco is otherwise a “public corporation” as defined in the Tax Act. Spinco will apply to list the Spinco Shares on the CSE. Listing will be subject to Spinco fulfilling all of the requirements of the CSE. Spinco will rely on the CSE to proceed in such manner as may be intended to result in the Spinco Shares being considered as listed on the CSE for purposes of the Tax Act at the time of their issuance, but no tax ruling or legal opinion has been sought or obtained in this regard. There can be no guarantee that CSE approval of a listing will be granted or will be in a form that is, or is acceptable to the CRA as, a full and unconditional listing sufficient for “qualified investment” status under the Tax Act for purposes of a Registered Plan at a relevant time. If the Spinco Shares are not effectively listed on a “designated stock exchange” (which currently includes the CSE) for purposes of the Tax Act at the time of their issuance and the Spinco does not otherwise become a “public corporation” as of that time, the Spinco Shares will not be “qualified investments” for Registered Plans at that time. The adverse tax consequences to a Registered Plan and/or its annuitant or subscriber where a Registered Plan acquires or holds Spinco Shares that are not a “qualified investment” are not discussed in this summary, and holders should consult their own tax advisors in this regard.

Notwithstanding that the Class A Common Shares, New Common Shares or Spinco Shares may be or become a qualified investment for a Registered Plan, the annuitant under a RRSP or RRIF, the subscriber of a RESP, or the holder of a RDSP or TFSA, as the case may be, will be subject to a penalty tax if such securities are “prohibited investments” for purposes of the Tax Act for the RRSP, RRIF, RESP, RDSP or TFSA, as the case may be. The shares will not generally be prohibited investments for a RRSP, RRIF, RESP, RDSP or TFSA if the annuitant under a RRSP or RRIF, the subscriber of a RESP, or the holder of a RDSP or TFSA, as the case may be, deals at arm’s length with the Company and/or Spinco, as the case may be, for the purposes of the Tax Act, and does not have a “significant interest” (as defined in the Tax Act) in the Company and/or Spinco, as the case may be. In addition, Class A Common Shares, New Common Shares and/or Spinco Shares, as the case may be, will generally not be prohibited investments if such securities are “excluded property” as defined in the Tax Act. Shareholders should consult their own tax advisors as to whether Class A Common Shares, New Common Shares and/or Spinco Shares will be prohibited investments in their particular circumstances, and with respect to qualified investment status.

Non-Residents of Canada

This part of the summary is applicable, subject to the discussion under “General” above, to a Holder who, for purposes of the Tax Act and at all relevant times, has not been and will not be resident or deemed to be resident in Canada at any relevant time, and who does not use or hold, will not use or hold and is not and will not be deemed to use or hold Common Shares, Class A Common Shares, New Common Shares or Spinco Shares in carrying on a business in Canada (herein, a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act).

It has been assumed that the Class A Common Shares will be represented for listing purposes on the CSE (and so be considered listed on the CSE at all relevant times) by the continued listing of the Common Shares, that New Common Shares will be listed for trading on the CSE upon issuance simultaneously and without interruption with the delisting of such Common Shares, and that the CRA will respect the listed status on the CSE of the Common Shares, Class A Common Shares and New Common Shares at all relevant times, although listing is subject to all relevant conditions of the CSE and the acceptance of listed status by the CSE (or the CRA) as of any particular time cannot be guaranteed. This portion of the summary also assumes that the Spinco Shares will be listed on a designated stock exchange (which currently includes the CSE) when distributed pursuant to the Arrangement. Spinco will rely on the CSE to proceed

in such manner as may be intended to result in the Spinco Shares being considered as listed on the CSE for purposes of the Tax Act at the time of their issuance, and it is assumed for the purposes of this summary that the Spinco Shares will be so listed at the time of their issuance, although no assurances can be provided in this regard, and listing is subject to all relevant conditions of the CSE and the acceptance of listed status by the CSE (or the CRA) as of any particular time cannot be guaranteed. No tax ruling or legal opinion has been sought or obtained with respect to any of the foregoing or with respect to any assumptions or provisos contained in this summary. The discussion below is qualified accordingly.

Consistent with our understanding of the administrative position of the CRA, the amendments, pursuant to the Arrangement, to the authorized share structure and articles of the Company to rename and redesignate the Common Shares as Class A Common Shares and to create special rights and restrictions attached thereto should not, in and of itself, result in Non-Resident Holders being deemed to have disposed of their Common Shares or otherwise constitute a taxable event for the purposes of the Tax Act, and the summary is based on this assumption. As such, the ACB to a Non-Resident Holder of their Common Shares immediately prior to such amendments should continue to be the ACB of their Class A Common Shares immediately after such amendments.

The Share Exchange

The cost to a Non-Resident Holder of Spinco Shares acquired on the Share Exchange will be equal to the fair market value of the Spinco Shares at the time of the exchange. The cost to a Non-Resident Holder of New Common Shares acquired on the Share Exchange will be equal to the amount, if any, by which the ACB of the Non-Resident Holder's Common Shares immediately before the exchange exceeds the fair market value of the Spinco Shares received on the exchange.

If the aggregate fair market value of the Spinco Shares received by a Non-Resident Holder on the Share Exchange exceeds the PUC as determined for purposes of the Tax Act of the Class A Common Shares exchanged, then the excess will generally be deemed to be a dividend received by the Non-Resident Holder from the Company and subject to withholding tax. See "*Dividends on Shares*" below for a general description of the treatment of dividends received by a Non-Resident Holder under the Tax Act including amounts deemed under the Tax Act to be received as dividends. Although the Company has not made a full or final determination of the PUC and the result cannot be guaranteed, the Company expects that the aggregate fair market value of all Spinco Shares distributed pursuant to the Share Exchange under the Arrangement will not exceed the aggregate PUC of the Class A Common Shares. Accordingly, the Corporation does not expect that a Resident Holder will be deemed to receive a taxable dividend on the Share Exchange, although this result cannot be guaranteed. If the Company determines that a deemed dividend would arise as a consequence of the Arrangement, the Company will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Non-Resident Holder (including the Spinco Shares) such amounts as the Company is required or permitted to deduct and withhold under the Tax Act. To the extent that the Company is required to deduct and withhold an amount from the consideration, including the Spinco Shares, the Company will take such actions as may be reasonably necessary in order to meet the Company's withholding tax obligations arising as a result of any deemed dividend to Non-Resident Holders. Non-Resident Holders may be subject to additional tax consequences in Canada as a result of any such actions taken by the Company to meet its withholding obligations under the Tax Act.

On the exchange of Class A Common Shares for New Common Shares and Spinco Shares on the Share Exchange, a capital gain (or capital loss) may be realized by a Non-Resident Holder equal to the amount by which (a) the aggregate of the cost of the Spinco Shares and of the New Common Shares received, determined as described above, less the amount of any dividend deemed to be received (if any) on the Share Exchange exceeds (or is less than) (b) the aggregate of the ACB of the Common Shares exchanged and any reasonable costs of disposition.

A Non-Resident Holder who participates in the Arrangement will not be subject to tax under the Tax Act on any capital gain realized on the Share Exchange, nor will a Non-Resident Holder in general terms be subject to tax under the Tax Act on a disposition of New Common Shares or Spinco Shares, provided that the relevant shares are not "taxable Canadian property" (as defined in the Tax Act), as discussed below, to the Non-Resident Holder at the relevant time or an applicable income tax treaty or convention exempts the capital gain from tax under the Tax Act.

Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition or deemed disposition, if the relevant shares are then listed on a designated stock exchange, as defined in the Tax Act (which currently includes the CSE) at the time of disposition, unless, at any time during the 60-month period immediately preceding the disposition (i) (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, (c) partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder did not deal at arm's length holds a membership interest, directly or indirectly, through one or more partnerships, or (d) any combination of the persons and partnerships described in (a) through (c), owned or was considered to own 25% or more of the issued shares of any class of the capital stock of the Company (or, in the case of Spinco Shares, of Spinco), and (ii) more than 50% of the fair market value of the relevant shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Shares may also be deemed to be "taxable Canadian property" pursuant to certain other provisions of the Tax Act.

If the relevant shares are taxable Canadian property of a Non-Resident Holder, such Non-Resident Holder should consult with the Non-Resident Holder's own tax advisors to determine if a gain may be exempt from tax under the Tax Act on the disposition of such relevant shares by virtue of an applicable income tax treaty or convention. In cases where a Non-Resident Holder disposes, or is deemed to dispose, of a share that is taxable Canadian property of that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption from tax under the Tax Act or pursuant to the terms of an applicable income tax treaty or convention, the consequences under the heading "*Resident Holders – Taxation of Capital Gains and Capital Losses*" will generally be applicable to such disposition. Non-Resident Holders who may hold relevant shares as taxable Canadian property should consult their own tax advisors.

Dividends on Shares

Dividends paid or credited, or deemed to be paid or credited, on a Non-Resident Holder's Common Shares, New Common Shares or Spinco Shares will be subject to withholding tax under Part XIII of the Tax Act at a rate of 25%, unless the rate is reduced under the provisions of an applicable income tax treaty or convention. In the case of a Non-Resident Holder who is the beneficial owner of dividends and is a resident of the United States for purposes of the *Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital* (the "**Canada-US Treaty**") and who is entitled to the benefits of the Canada-US Treaty, the rate of withholding will generally be reduced to 15%.

If the Company determines that a deemed dividend arose as a consequence of the Arrangement, the Company will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Non-Resident Holder (including the Spinco Shares) 25%, subject to reduction under the provisions of an applicable income tax treaty or convention, of the deemed dividend under Part XIII of the Tax Act. To the extent that the Company is required to deduct and withhold from consideration that is not cash, including the Spinco Shares, the Company will take such actions as may be reasonably necessary in order to meet the Company's withholding tax obligations arising as a result of any deemed dividend to Non-Resident Holders. Non-Resident Holders may be subject to additional tax consequences in Canada as a result of any such actions taken by the Company to meet its withholding obligations under the Tax Act.

United States Tax Law Matters

Each United States holder of Common Shares should consult its own tax advisor as to the particular tax consequences to it of the receipt of Spinco Shares and New Common Shares pursuant to the Arrangement and the ownership and disposition of the Spinco Shares and New Common Shares received, including the effects of applicable U.S. federal, state and local tax laws and non-U.S. tax laws and possible changes in tax laws.

OTHER BUSINESS

As of the date of this Information Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

Financial information is provided in the Company's comparative annual audited financial statements and management's discussion and analysis for its most recently completed financial year, available online at www.sedar.com. Shareholders may request additional copies by (i) mail to 866 3e Avenue, Val d'Or, Québec J9P 1T1; or (ii) telephone to +1(514)375-5172.

DIRECTORS' APPROVAL

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board.

DATED at Montréal, Québec, this 22nd day of June, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Michel G. Gagnon*"

Michel G. Gagnon

Chairman of the Board

SCHEDULE “A” CHARTER OF THE AUDIT COMMITTEE

1. Mandate

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Canadian Metals Inc. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing (1) the financial statements, reports and other financially-based information provided to shareholders, regulators and others; (2) the internal controls that management and the Board have established; and (3) the audit, accounting and financial reporting processes generally.

In meeting these responsibilities, the Committee will:

- a) monitor the financial reporting process and internal control system;
- b) review and appraise the work of the external auditors; and
- c) provide an open avenue of communication between the external auditors, senior management and the Board.

The external auditors are accountable to the shareholders through the Committee. The Committee is responsible for ensuring that the external auditors comply with the requirements stipulated in this Charter and satisfying itself of the external auditors’ independence.

2. Composition

The Committee shall be composed of a minimum of three directors of the Company, a majority of whom are independent. An independent director, as defined in National Instrument 52-110 – Audit Committees (“NI 52- 110”) is a director who has no direct or indirect material relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a members independent judgment or as otherwise determined to be independent in accordance with NI 52-110.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Committee’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience. The chairperson of the Committee (the “**Chairperson**”) shall be appointed by the Board for a one-year term and may serve any number of consecutive terms.

3. Meetings

The Committee shall try to meet at least four times per year and may call special meetings as required. A quorum at meetings of the Committee shall be its Chairperson and one of its other members or the Chairman of the Board. The Committee may hold its meetings, and members of the Committee may attend meetings, by telephone conference if this is deemed appropriate.

The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Committee. The Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

4. Responsibilities and Duties

Audit Committee

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review this Charter annually, and update if necessary.
- (b) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (c) Where the Committee deems it necessary, obtain a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (e) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (g) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent (5%) of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Chairperson

The fundamental responsibility of the Chairperson is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Chairperson's responsibilities shall include:

- (a) working with the Chairman of the Board, the Chief Executive Officer and the Secretary to establish the frequency of Committee meetings and the agendas for meetings;
- (b) providing leadership to the Committee and presiding over Committee meetings;
- (c) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- (d) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- (e) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its

effectiveness in fulfilling its mandate; and taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

5. Financial Reporting Processes

- (a) Review, discuss and recommend to the Board for approval, the annual audited financial statements and related “management’s discussion and analysis” prior to delivery to shareholders, and where applicable, filing with securities regulatory authorities.
- (b) Review and discuss with the external auditors the results of their reviews and audit, any issues arising and management’s response, including any restrictions on the scope of the external auditors’ activities or requested information and any significant disagreements with management, and resolving any disputes.
- (c) Review, discuss, approve, or recommend to the Board for approval, the quarterly financial statements and quarterly “management’s discussion and analysis” prior to delivery to shareholders, and where applicable, filing with securities regulatory authorities.
- (d) Review and discuss with management and the external auditors the Company’s critical accounting policies and practices, material alternative accounting treatments, significant accounting and reporting judgments, material written communications between the external auditor and management (including management representation letters and any schedule of unadjusted differences) and significant adjustments resulting from the audit or review.
- (e) Where applicable, review and discuss with management the Company’s earnings press releases, and such other relevant public disclosures containing financial information as the Committee may consider necessary or appropriate.
- (f) Where applicable, review and discuss with management the disclosure controls relating to the Company’s public disclosure of financial information, including information extracted or derived from the financial statements, and periodically assess the adequacy of such procedures.
- (g) In consultation with the external auditors, review with management the integrity of the Company’s financial reporting process, both internal and external.
- (h) Consider the external auditors’ judgments about the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting.
- (i) Consider and approve, if appropriate, changes to the Company’s auditing and accounting principles and practices as suggested by the external auditors and management.
- (j) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (k) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (l) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (m) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (n) Review the certification process.
- (o) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

6. Other

Review any related-party transactions.

**SCHEDULE “B”
CORPORATE GOVERNANCE**

The Company is committed to maintaining high standards of corporate governance. The following disclosure has been approved by the board of the directors. The following is a report under Form 58-101F1 in accordance with National Instrument 58-101 *Disclosure of corporate Governance Practices* (“**NI 58-101**”):

NI 58-101	Corporate Governance Practices																		
<p>I. Board of Directors</p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>NI 58-101 states that a director is independent if a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the Company and of any significant security holder of the Company.</p> <p>During the financial year ended July 31, 2020, the Company had five directors listed below, four of whom meet the independence standards as set out by NI 58-101.</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Name of Director</th> <th style="text-align: center;">Independent</th> <th style="text-align: center;">Not Independent</th> </tr> </thead> <tbody> <tr> <td>Guy Simard</td> <td style="text-align: center;">X</td> <td></td> </tr> <tr> <td>Michel Gagnon</td> <td></td> <td style="text-align: center;">X</td> </tr> <tr> <td>Paul Dumas</td> <td style="text-align: center;">X</td> <td></td> </tr> <tr> <td>Roger C. Urquhart</td> <td style="text-align: center;">X</td> <td></td> </tr> <tr> <td>Pierre Renaud</td> <td style="text-align: center;">X</td> <td></td> </tr> </tbody> </table> <p>Paul Dumas and Roger C. Urquhart resigned from the Board on September 25, 2020. Patrick Moryoussef and Yves Rougerie were appointed to the Board on September 25, 2020. Each of Patrick Moryoussef and Yves Rougerie are independent of the Company.</p>	Name of Director	Independent	Not Independent	Guy Simard	X		Michel Gagnon		X	Paul Dumas	X		Roger C. Urquhart	X		Pierre Renaud	X	
Name of Director	Independent	Not Independent																	
Guy Simard	X																		
Michel Gagnon		X																	
Paul Dumas	X																		
Roger C. Urquhart	X																		
Pierre Renaud	X																		
<p>(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>Explanations for the determination of these directors’ non-independence is as follows:</p> <table border="1"> <tbody> <tr> <td style="width: 30%;">Michel Gagnon</td> <td>Michel Gagnon was Interim Chairman and CEO from December 2, 2019 to April 14, 2020. Previously, his company Vega Capital had a consultation agreement with the Company (agreement ended February 2019)</td> </tr> </tbody> </table>	Michel Gagnon	Michel Gagnon was Interim Chairman and CEO from December 2, 2019 to April 14, 2020. Previously, his company Vega Capital had a consultation agreement with the Company (agreement ended February 2019)																
Michel Gagnon	Michel Gagnon was Interim Chairman and CEO from December 2, 2019 to April 14, 2020. Previously, his company Vega Capital had a consultation agreement with the Company (agreement ended February 2019)																		
<p>(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.</p>	<p>The Board has determined that more than 50% of directors are independent within the meaning of NI 58-101.</p> <p>The Company currently has a board comprised of five directors, four of whom are independent. The independent directors are able to, and at <i>ad hoc</i>, as necessary intervals, meet without the presence of management to ensure that the board may function independent of management.</p>																		

NI 58-101	Corporate Governance Practices													
<p>(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or foreign jurisdiction, identify both the director and the other issuer.</p>	<table border="1"> <thead> <tr> <th data-bbox="756 237 1052 289">Name of Director</th> <th data-bbox="1052 237 1427 289">Name of Other Reporting Issuer</th> </tr> </thead> <tbody> <tr> <td data-bbox="756 289 1052 342">Guy Simard</td> <td data-bbox="1052 289 1427 342">-</td> </tr> <tr> <td data-bbox="756 342 1052 394">Michel Gagnon</td> <td data-bbox="1052 342 1427 394">Cartier Iron Corporation</td> </tr> <tr> <td data-bbox="756 394 1052 447">Paul Dumas</td> <td data-bbox="1052 394 1427 447">Osisko Metals Incorporated</td> </tr> <tr> <td data-bbox="756 447 1052 499">Patrick Moryoussef</td> <td data-bbox="1052 447 1427 499">-</td> </tr> <tr> <td data-bbox="756 499 1052 552">Yves Rougerie</td> <td data-bbox="1052 499 1427 552">Vision Lithium Inc.</td> </tr> </tbody> </table>		Name of Director	Name of Other Reporting Issuer	Guy Simard	-	Michel Gagnon	Cartier Iron Corporation	Paul Dumas	Osisko Metals Incorporated	Patrick Moryoussef	-	Yves Rougerie	Vision Lithium Inc.
Name of Director	Name of Other Reporting Issuer													
Guy Simard	-													
Michel Gagnon	Cartier Iron Corporation													
Paul Dumas	Osisko Metals Incorporated													
Patrick Moryoussef	-													
Yves Rougerie	Vision Lithium Inc.													
<p>(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.</p>	<p>Directors are invited to hold <i>in camera</i> sessions at any time, including after Board and committee meetings. During these <i>in camera</i> sessions, members of management are not present. The Company believes that these <i>in camera</i> sessions contribute to the Board's independent oversight.</p> <p>During the 12 months period ended July 31, 2020, the following meetings were held:</p> <table border="1"> <tbody> <tr> <td data-bbox="756 772 1089 825">Board Meetings</td> <td data-bbox="1089 772 1427 825">7</td> </tr> <tr> <td data-bbox="756 825 1089 877">Committees Meeting</td> <td data-bbox="1089 825 1427 877">2</td> </tr> </tbody> </table> <p>⁽¹⁾ Meetings of the independent members of the board of directors are held, as required, within the context of scheduled regular board meetings, or as cases may arise pertaining to related party transactions.</p>		Board Meetings	7	Committees Meeting	2								
Board Meetings	7													
Committees Meeting	2													
<p>(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</p>	<p>Michel Gagnon was appointed Chairman of the Board on December 2, 2019. Michel Gagnon was not considered an independent director since his company; Vega Capital had a consulting agreement with the Company. From December 2, 2019 to April 14, 2020, Michel Gagnon also held the position of Interim CEO.</p>													

NI 58-101	Corporate Governance Practices																		
<p>(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.</p> <p>2. Board Mandate</p> <p>Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.</p> <p>3. Position Descriptions</p> <p>(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p> <p>(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>The following chart sets out meeting attendance record of our directors during the financial year ended July 31, 2020.</p> <p>Board Meeting and Committee Meeting</p> <table border="1" data-bbox="768 338 1417 667"> <thead> <tr> <th>Director</th> <th>Board Meetings</th> <th>Committees Meeting</th> </tr> </thead> <tbody> <tr> <td>Guy Simard</td> <td>6</td> <td>N/A</td> </tr> <tr> <td>Michel Gagnon</td> <td>7</td> <td>2</td> </tr> <tr> <td>Pierre Renaud</td> <td>5</td> <td>2</td> </tr> <tr> <td>Paul Dumas</td> <td>6</td> <td>2</td> </tr> <tr> <td>Roger C. Urquhart</td> <td>6</td> <td>N/A</td> </tr> </tbody> </table> <p>The Board of Directors oversees the management of the business and affairs of the Company. The Board is responsible for, amongst other things, overseeing the</p> <ul style="list-style-type: none"> • Strategic planning process • Identification of principal business opportunities • Identification of management of risks, and • Internal controls and management information systems <p>The Board discharges its responsibilities directly and through its audit committee as of the date hereof.</p> <p>The Board has not yet developed written position descriptions for the following:</p> <ul style="list-style-type: none"> • Chairman of the Board • Committee Chairs <p>The Company's Audit Committee Charter further specifies the role of the Audit Committee.</p> <p>The Company has one CEO. Michel Gagnon acted as Interim CEO from December 2, 2019 to April 14, 2020. Stéphane Leblanc was appointed President and CEO on April 14, 2020.</p>	Director	Board Meetings	Committees Meeting	Guy Simard	6	N/A	Michel Gagnon	7	2	Pierre Renaud	5	2	Paul Dumas	6	2	Roger C. Urquhart	6	N/A
Director	Board Meetings	Committees Meeting																	
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NI 58-101	Corporate Governance Practices
<p>4. Orientation and Continuing Education</p> <p>(a) Briefly describe what measures the board takes to orient new directors regarding</p> <ul style="list-style-type: none"> (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business. <p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p> <p>5. Ethical Business Conduct</p> <p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p> <ul style="list-style-type: none"> (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code. <p>(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p> <p>(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>While the Company does not currently have a formal orientation and education program for new members of the board of directors, the Company provides such orientation and education on an ad hoc and informal basis.</p> <p>The directors maintain that the Company must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Company's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.</p> <p>Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Company must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the QBCA.</p> <p>N/A.</p> <p>The Board monitors compliance in various ways. The Corporate Governance Committee meets with management and with its auditors as needed to, <i>inter alia</i>, review compliance issues, including compliance with the Company's policies and procedures. The Corporate Governance Committee's mandate includes ensuring compliance by the Company's directors, officers, employees, agents and representatives with internal policies and procedures.</p> <p>N/A.</p> <p>In the ordinary course of business, the Company enters into transactions with persons with which the director may have a relationship. If any such transactions are brought before the Board for discussion or approval, the director declares a conflict of interest and withdraws from any discussion or vote on the transaction.</p> <p>The Company prepares training modules for employees, officers and directors in respect of compliance with the Company's policies and procedures. The Company also supports maintaining the highest possible ethical standards in our business practices, and promotes a climate of openness and accountability and will encourage employees to come forward in good faith to disclose genuine concerns and to detect, forestall the continuation of, and prevent any violations of the Company's internal policies and procedures.</p>

NI 58-101	Corporate Governance Practices
<p>6. Nomination of Directors</p>	
<p>(a) Describe the process by which the board identifies new candidates for board nomination.</p>	<p>Both the directors and management are responsible for selecting nominees for election to the Board. At present, there is no formal process established to identify new candidates for nomination. The Board and management determine the requirements for skills and experience needed on the Board from time to time. The present Board and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, support for the Company's business objectives and a willingness to serve.</p>
<p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.</p>	<p>The Company does not have a nominating committee as of the date hereof.</p> <p>The Board encourages an objective nominating process for new directors by open discussion at Board meetings, and review of candidates by the independent members of the board.</p>
<p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>N/A.</p>
<p>7. Compensation</p>	
<p>(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.</p>	<p>The directors carry out the evaluation of the Chief Executive Officer and develop the appropriate compensation policies for both the employees of the Company and the directors of the Company.</p>
<p>(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.</p>	<p>The Company has a human resource and compensation committee which is composed of Guy Simard and Michel Gagnon. With the exception of Michel Gagnon, the committee is composed by independent directors.</p>
<p>(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>There are not any formal policies or procedures for determining the remuneration of the NEOs and the Board. Instead, the Human Resources and Compensation Committee generally considers the appropriate level of remuneration without any formal objectives, criteria or analysis. Levels of remuneration are usually first informally discussed among the members of the Committee before being formally considered and approved. No specific formulas have been developed to assign a specific weighting to each of these components. Instead, the Committee considers the Company's performance and recommends compensation based on this assessment. Accordingly, each case is determined on its own merits and circumstances after being considered in light of prevailing economic conditions – both on a corporate level and on a national and international level – and industry norms for such remuneration.</p>
<p>8. Other Board Committees</p>	
<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>Other than the audit committee, the Company has a human resources and compensation committee, composed of Guy Simard and Michel Gagnon. No meetings of the human resources and compensation committee of the Company were held during the year ended July 31, 2020.</p>

NI 58-101	Corporate Governance Practices
<p>9. Assessments</p> <p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</p> <p>10. Director Term Limits and Other Mechanisms of Board Renewal</p> <p>Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p> <p>11. Policies regarding the Representation of Women on the Board</p> <p>(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p> <p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy <p>12. Consideration of the Representation of Women in the Director Identification and Selection Process</p> <p>Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election on the board, disclose the issuer's reasons for not doing so.</p>	<p>The directors believe that nomination to the Company's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Company. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.</p> <p>The Board does not limit the time a director can serve. Imposing a term limit means it may lose the contributions of longer serving directors who have developed a deep knowledge and understanding of the Company over time. The Company considers the benefits of regular renewal in the context of the needs of the Board at the time.</p> <p>The Board has not adopted any policies but has made efforts to address the identification and nomination of directors in regard to Board diversity. The Company is committed to nominating highly qualified individuals to fulfill director roles. The Board believes that a diverse and inclusive environment that values a variety of backgrounds, skills and experience will best ensure that Board members provide the necessary range of perspectives, experience and expertise required to provide leadership needed to achieve the Company's business objectives, without reference to their age or gender of the Company.</p> <p>The Company does not specifically focus on the level of representation of women on the Board in identifying nominees but does consider gender as one of many diversity factors. The Company assesses the knowledge and skills personal qualities or professional experiences of a director nominee in light of the current skills on the Board. The Company takes measures to identify and recruit a well-qualified group of candidates who will complement the other board members and improve the effectiveness of the Board, as a whole.</p>

NI 58-101	Corporate Governance Practices
<p>13. Consideration Given to the Representation of Women in Executive Officer Appointments</p> <p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>The Company does not specifically focus on the level of representation of women in executive officer positions in identifying candidates for those positions but considers the same diversity factors applied to the selection of nominees for the Board. The Company's commitment to the level of representation of women in executive officer positions is not considered when making executive officer appointments. The Board takes into account a candidate's knowledge, qualifications and expertise, with diversity factors such as gender, age, cultural background and other personal characteristics.</p>
<p>14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(c) If the issuer has adopted a target, disclose:</p> <p>(i) the target, and</p> <p>(ii) the annual and cumulative progress of the issuer in achieving the target.</p>	<p>The Board and the Company have not established or imposed quotas or targets regarding for the appointment of women to the Board or to executive officer positions. Instead of establishing firm targets, the Board and the Company prefers to consider gender as one of a number of factors in selecting candidates.</p>
<p>15. Number of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women .</p> <p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>Amongst the current five members of the Board, none is female. One position out of the executive officers of the Company, Ms. Patsie Ducharme is a female, representing a 50% of the executive leadership team. For the executive officer positions, there is a no increase of the female position comparing to the precedent year.</p>

**SCHEDULE “C”
ARRANGEMENT RESOLUTION**

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under Chapter XVI – Division II of the *Business Corporations Act* (Québec) (the “**QBCA**”) involving Canadian Metals Inc. (the “**Company**”) and QNB Metals Inc. (“**QNB**”), all as more particularly described and set forth in the Management Information Circular (the “**Circular**”) of the Company dated June 22, 2021 accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is authorized, approved and adopted.
2. The plan of arrangement (the “**Plan of Arrangement**”), involving the Company and implementing the Arrangement, the full text of which is set out in Schedule “D” to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
3. The arrangement agreement (the “**Arrangement Agreement**”) between the Company and QNB dated June 17, 2021, and all the transactions contemplated therein, the actions of the directors of the Company in approving the Arrangement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of the Company or that the Arrangement has been approved by the Superior Court of Québec (the “**Court**”), the directors of the Company are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Company:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any director or officer of the Company is hereby authorized and directed for and on behalf of the Company to make application to the Court for an order approving the Arrangement and to execute, whether under corporate seal of the Company or otherwise, and to deliver such other documents as are necessary or desirable to the registrar under the QBCA in accordance with the Arrangement Agreement for filing.
6. Any one or more directors or officers of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver, whether under corporate seal of the Company or otherwise, all such agreements, forms waivers, notices, certificate, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
 - (a) all actions required to be taken by or on behalf of the Company, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by the Company;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE "D"
PLAN OF ARRANGEMENT

[see attached]

PLAN OF ARRANGEMENT UNDER
SECTION 414 OF *THE BUSINESS CORPORATIONS ACT* (QUÉBEC)

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the respective meanings set forth below:

“**Arrangement Agreement**” means the arrangement agreement dated June 17, 2021 between CME and Spinco, to which this Plan of Arrangement is attached as Exhibit A, as they may be supplemented or amended from time to time;

“**Arrangement Resolution**” means the special resolution of CME Shareholders authorizing and approving the Plan of Arrangement;

“**Asset Purchase Agreement**” means the agreement to be entered into between CME and Spinco pursuant to which Spinco acquires the Spinout Assets and assumes the Spinout Liabilities;

“**Business Corporations Act**” means the *Business Corporations Act* (Québec), as amended;

“**Business Day**” means a day which is not a Saturday, Sunday or a day when commercial banks are not open for business in Montréal, Québec;

“**Closing**” has the meaning given in Section **Error! Reference source not found.** of the Arrangement Agreement;

“**CME**” means Canadian Metals Inc., a company incorporated under the laws of the Province of Québec;

“**CME Common Share**” means a common share without par value in the authorized share structure of CME outstanding immediately prior to the Effective Time;

“**CME Class A Common Share**” has the meaning set out in subsection 2.2(b);

“**CME New Shares**” has the meaning set out in subsection 2.2(b);

“**CME Replacement Warrant**” means a warrant to acquire a CME New Share granted by CME to a CME Warrantholder in accordance with subsection 2.2(c), with the exercise price of each such CME Replacement Warrant determined in accordance with this Plan of Arrangement, subject to such reasonable adjustment as may be necessary in the circumstances and are approved by the board of directors of CME;

“**CME Shareholder**” means a holder of CME Common Shares, CME Class A Common Shares or CME New Shares, as the context requires;

“**CME Warrant**” means a common share purchase warrant of CME outstanding and unexercised immediately prior to the Effective Time;

“**CME Warrantholder**” means a holder of CME Warrants;

“**Court**” means the Québec Superior Court;

“**CSE**” means the Canadian Securities Exchange;

“**Effective Date**” means the date on which the last of all necessary documents to effect the Plan of Arrangement have been filed with the Registrar;

“**Effective Time**” means 12:01 a.m. (local Montréal time) on the Effective Date;

“**Exercise Price Proportion**” means the fraction A/B, where:

- A is the fair market value of a Spinco Share immediately prior to the Effective Time; and
- B is the fair market value of a CME New Share immediately prior to the Effective Time;

“**Final Order**” means the final order of the Court pursuant to section 417 of the Business Corporations Act approving the Plan of Arrangement, as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Date, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (with the consent of the Parties, acting reasonably) on appeal, which order shall include a statement to the following effect: “This Order will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of QNB Metals Inc. pursuant to the Plan of Arrangement”;

“**Governmental Entity**” means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or entity, domestic or foreign; (b) any subdivision, agent, commission, board or authority of any of the foregoing; or (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“**Information Circular**” means the information circular to be sent to CME Shareholders in connection with the Meeting, including any other documents incorporated by reference therein;

“**ITA**” means the *Income Tax Act* (Canada) and the regulations made thereunder, as amended from time to time;

“**Interim Order**” means the order made after application to the Court, and being informed of the intention to rely upon the Section 3(a)(10) Exemption from registration under the U.S. Securities Act in connection with the issuance of the Spinco Shares to CME Shareholders in the United States, pursuant to section 414 of the Business Corporations Act, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);

“**Law**” or “**Laws**” means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority (including the CSE), and the term “applicable” with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

“**Meeting**” means the special meeting of CME Shareholders to be held at 11:00 a.m. (Eastern time) on July 27, 2021 and any adjournment or postponement thereof;

“**Parties**” means CME and Spinco;

“**Person**” means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

“**Plan of Arrangement**” means, and similar expressions mean, this plan of arrangement, including the appendices hereto, and any amendments, variations or supplements hereto made in accordance with the terms hereof, the Arrangement Agreement or made at the direction of the Court in the Final Order;

“**Section 3(a)(10) Exemption**” means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof;

“**Spinco**” means QNB Metals Inc., formerly Contact Vet Inc., a company incorporated under the laws of the Canada;

“**Spinco Replacement Warrants**” means a warrant to acquire a Spinco Share granted by Spinco to a CME Warrantholder in accordance with Subsection 2.2(c), with the exercise price of each such Spinco Replacement Warrant determined in accordance with this Plan of Arrangement, subject to such reasonable adjustment as may be necessary in the circumstances and are approved by the board of directors of Spinco;

“**Spinco Shareholder**” means a holder of Spinco Shares;

“**Spinco Shares**” means Class A common shares without par value of Spinco;

“**Spinout Assets**” means all direct and indirect right, title and interest of CME in and to the La Chesnaye Lake mineral exploration project, and all business, corporate, legal and accounting books, records and documents used in the conduct of the foregoing properties and related undertakings;

“**Spinout Liabilities**” means:

- (i) all liabilities or obligations (contingent or otherwise) (other than any liability or obligation for Taxes) in respect (but only in respect) of the Spinout Assets (including the operations or activities in connection therewith);
- (ii) all liabilities or obligations for Taxes payable to any Governmental Entity arising from, or in connection with the Spinout Assets; and
- (iii) all liabilities or obligations for Taxes payable but not yet paid or reflected in the contingencies or commitments in the Annual Financial Statements of CME to any Governmental Entity and imposed on, or is in respect of, the Spinout Assets and/or any liabilities or obligations referred to in this definition net of all applicable credits, deductions, and other amounts available (including any loss carryforwards) with respect to the Spinout Assets;

“**Taxes**” means any taxes, duties, fees, premiums, assessments, imposts, levies, expansion fees and other charges of any kind whatsoever imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, windfall, royalty, capital, transfer, land transfer, sales, GST/HST, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada Pension Plan premiums or contributions imposed by any Governmental Entity, and any transferee liability in respect of any of the foregoing;

“**Transfer Agent**” means Computershare Investor Services;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated from time to time thereunder; and

“**Warrant Exchange**” has the meaning ascribed to that term in Subsection 2.2(c).

1.2 Headings and References

The division of this Plan of Arrangement into Articles and sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specified, references to sections are to sections of this Plan of Arrangement.

1.3 Number, etc.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa; words importing the use of any gender shall include all genders; and words importing persons shall include firms and corporations and vice versa.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.5 Meaning

Words and phrases not otherwise defined herein and defined in the Business Corporations Act will have the same meaning herein as in the Business Corporations Act, unless the context otherwise requires.

**ARTICLE 2
THE ARRANGEMENT**

2.1 Effectiveness

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of the Arrangement Agreement.

2.2 The Arrangement

At the Effective Time, the events and transactions set out in subsections (a) to (d), inclusive, will occur and be deemed to occur, unless otherwise provided, in the order set out below, without any further act or formality, and with each event or transaction occurring and being deemed to occur immediately after the occurrence of the immediately preceding event or transaction:

- (a) pursuant to the Asset Purchase Agreement, CME will transfer all of the Spinout Assets and Spinout Liabilities to Spinco in consideration for the issuance of 4,300,000 fully-paid and non-assessable Spinco Shares to CME;
- (b) CME shall undertake a reorganization of capital within the meaning of Section 86 of the ITA as follows, with the following steps occurring in the following order:
 - (i) CME's authorized share capital and its Articles will be altered by:
 - A. renaming and redesignating all of the issued and unissued CME Common Shares as CME Class A Common Shares;
 - B. providing that the rights, privileges, restrictions and conditions attached to the CME Class A Common Shares are as follows:
 - (1) to two votes at all meetings of shareholders of CME except meetings at which only holders of a specified class of shares are entitled to vote and shall be entitled to one vote for each common share held;
 - (2) to receive, subject to the rights of the holders of another class of shares, any dividend declared by CME; and
 - (3) to receive, pari passu with the CME New Shares (as defined below), and subject to the rights of the holders of another class of shares, the remaining

property of CME on the liquidation, dissolution or winding up of CME, whether voluntary or involuntary;

- C. creating a new class consisting of an unlimited number of common shares without par value (the “**CME New Shares**”);
- D. providing that the rights, privileges, restrictions and conditions attached to the CME New Shares are as follows:
 - (1) to vote at all meetings of shareholders of CME except meetings at which only holders of a specified class of shares are entitled to vote and shall be entitled to one vote for each common share held;
 - (2) to receive, subject to the rights of the holders of another class of shares, any dividend declared by CME; and
 - (3) to receive, pari passu with the CME Class A Common Shares, and subject to the rights of the holders of another class of shares, the remaining property of CME on the liquidation, dissolution or winding up of CME, whether voluntary or involuntary;

- (ii) each CME Shareholder will exchange each CME Class A Common Share held at the Effective Time for (A) one CME New Share, and (B) a number of Spinco Shares equal to 4,300,000 divided by the total number of CME Common Shares issued and outstanding immediately prior to the Effective Time, and such CME Shareholders shall cease to be the holders of the CME Class A Common Shares so exchanged;
- (iii) the authorized share capital of CME will be amended to delete the CME Class A Common Shares, none of which will be issued and outstanding, and to delete the rights, privileges, restrictions and conditions attached to the CME Class A Common Shares; and
- (iv) the aggregate amount added to the stated capital of the CME New Shares issued pursuant to Section 2.2(b)(ii) above shall be equal to the amount if any, by which (A) the aggregate paid-up capital (as that term is defined for the purposes of the ITA) of the CME Class A Common Shares immediately prior to the Effective Time, exceeds (B) the fair market value of the Spinco Shares distributed to the CME Shareholders.

No fractional shares will be issued and CME Shareholders will not receive any compensation in lieu thereof. The name of each CME Shareholder who is so deemed to exchange his, her or its CME Class A Common Shares, shall be removed from the securities register of CME Class A Common Shares with respect to the CME Class A Common Shares so exchanged and shall be added to the securities registers of CME New Shares and Spinco Shares as the holder of the number of CME New Shares and Spinco Shares deemed to have been received on the exchange;

- (c) each CME Warranholder will be deemed to dispose of the Exercise Price Proportion of the exercise price of such holder’s CME Warrants to Spinco and the remaining portion to CME, and as sole consideration therefor: (i) Spinco will notionally grant Spinco Replacement Warrants to the CME Warranholder; and (ii) CME will notionally grant CME Replacement Warrants to the holder (collectively, the “**Warrant Exchange**”), such that, for each CME Common Share that the CME Warranholder would have been entitled to acquire pursuant to a CME Warrant (and the terms of the CME Warrant certificate), the CME Warranholder will instead be entitled to acquire: (i) one CME New Share; and (ii) the number of Spinco Shares equal to 4,300,000 divided by the total number of CME Common Shares issued and outstanding immediately prior to the Effective Time . For greater certainty, a CME Warranholder will receive no consideration for the notional exchange of such CME Warrants for CME Replacement Warrants and Spinco Replacement Warrants. The original exercise price of a holder’s CME Warrants will be allocated to the CME Replacement Warrants and the Spinco

Replacement Warrants notionally acquired by the holder pursuant to the Warrant Exchange such that an amount equal to the Exercise Price Proportion of such upon exercise of the CME Warrant, the original exercise price (rounded up to the nearest whole cent) will be payable by the holder to Spinco and an amount equal to the remainder of such original exercise price (rounded up to the nearest whole cent) will be payable by the holder to CME under; and

(d) CME will surrender to Spinco for cancellation, the 100 Spinco Shares held by CME,

the exchanges, cancellations and steps provided for in this Section 2.2 shall be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Time.

2.3 Deemed Fully Paid and Non-Assessable Shares

All CME New Shares and Spinco Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes.

2.4 Arrangement Effectiveness

The Arrangement shall become final and conclusively binding on the CME Shareholders, CME Warrantholders and the Spinco Shareholders and each of CME and Spinco on the Effective Date.

2.5 Supplementary Actions

Notwithstanding that the transactions and events set out in Section 2.3 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of CME and Spinco shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 2.3, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, and any necessary additions to or deletions from share registers.

2.6 Withholding Rights

CME shall be entitled to deduct or withhold from the consideration or other amount payable to any CME Shareholder and from all dividends, other distributions or other amounts otherwise payable to any CME Shareholder under the Arrangement such Taxes or other amounts as CME is required, entitled or permitted to deduct and withhold with respect to such payment under the ITA, the United States Internal Revenue Code of 1986, or any other provisions of any applicable Laws. For greater certainty, to the extent that the exchange in subsection 2.2(b)(ii) hereof gives rise to a deemed dividend under the ITA, CME shall be entitled to retain and sell that number of Spinco Shares as required to satisfy any withholding requirement under the ITA or any other applicable Laws. To the extent that Taxes or other amounts are so deducted or withheld, such deducted or withheld Taxes or other amounts shall be treated for all purposes under this Plan of Arrangement as having been paid to the CME Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority and for greater certainty the number of Spinco Shares retained and sold by CME, if any, shall be deemed to have been issued to the applicable CME Shareholders.

2.7 U.S. Securities Law Exemption

Notwithstanding any provision herein to the contrary, the Parties agree that the Plan of Arrangement will be carried out with the intention that all Spinco Shares issued on completion of the Plan of Arrangement to the CME Shareholders in the United States will be issued by Spinco in reliance on the Section 3(a)(10) Exemption from the registration requirements of the U.S. Securities Act.

ARTICLE 3 REPURCHASE RIGHTS

3.1 No Repurchase Rights

Shareholders will not be entitled to exercise a repurchase right under the Plan of Arrangement and accordingly, the repurchase rights contemplated and set out in the Business Corporations Act do not apply to the Arrangement.

ARTICLE 4 DELIVERY OF SECURITIES

4.1 Right to Receive Spinco Shares

As soon as practicable following the Effective Date, CME and Spinco will cause to be delivered to the Transfer Agent, to be delivered to CME Shareholders as of the Effective Date in accordance with the terms hereof, share certificates representing the aggregate Spinco Shares to which such CME Shareholders are entitled following the Arrangement.

ARTICLE 5 AMENDMENTS

5.1 Amendments

- (a) The Arrangement Agreement and the Plan of Arrangement may be amended at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time; provided that any such amendment (i) is in writing and is agreed to in writing by the Parties; (ii) if required, is filed with the Court; and (iii) if made following the Meeting, is approved by the Court and, if and as required by the Court, is communicated to CME Shareholders and/or consented to by CME Shareholders.
- (b) Any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:
 - (i) change the time for performance of any of the obligations or acts of the Parties;
 - (ii) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant to the Arrangement Agreement;
 - (iii) waive compliance with or modify any of the covenants contained in the Arrangement Agreement or waive or modify performance of any of the obligations of the Parties; and/or
 - (iv) waive compliance with or modify any mutual conditions precedent contained in the Arrangement Agreement.
- (c) Any amendment made before the Meeting in accordance with this Section 5.1 may be made with or without any other prior notice or communication and, if accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Agreement and the Plan of Arrangement for all purposes.

5.2 Further Assurances.

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur at the time and in the manner set out in this Plan of Arrangement without any further act or formality, CME and Spinco shall make, do and execute, or cause to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein. CME, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

SCHEDULE "E"
COURT MATERIALS

[see attached]

NOTICE OF PRESENTATION

(FINAL ORDER)

TAKE NOTICE that the present *Motion for Interim and Final Order* will be presented virtually for adjudication of the final order sought therein to before the Honourable Garry D.D. Morrison J.S.C. the Superior Court of Québec, sitting in the Commercial Division, in and for the district of Montreal at the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, Québec, **Room 16.04**, on **July 30, 2021** at **9:00 a.m.** (Montreal time), or so soon thereafter as counsel may be heard.

THE COORDINATES TO JOIN THE HEARING ARE THE FOLLOWING:

16.04

[Rejoindre la réunion Microsoft Teams](#)

[+1 581-319-2194](#) Canada, Québec (Numéro payant)

[\(833\) 450-1741](#) Canada (Numéro gratuit)

ID de conférence : 516 211 860#

[Numéros locaux](#) | [Réinitialiser le code confidentiel](#) | [En savoir plus sur Teams](#) | [Options de réunion](#)

Rejoindre à l'aide d'un dispositif de vidéoconférence

teams@teams.justice.gouv.qc.ca ID de la conférence VTC : 1149478699

[Autres instructions relatives à la numérotation VTC](#)

TAKE FURTHER NOTICE that a copy of the *Motion for Interim and Final Order* has been posted on the Petitioner's public online SEDAR profile (<https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00034271>)

Pursuant to the Interim Order issued by the Superior Court of Québec on June 22, 2021, if you wish to make representations before the Court, you are required to file an appearance form at the Office of the Clerk of the Superior Court of the District of Montreal no later than **July 27, 2021 4:30 p.m.** (Montreal time) and to serve Mtre. Maxime Lemieux of McMillan LLP, counsel for the Petitioner, a copy of this form within the same time limit at the following address: 1000 Sherbrooke West, Suite 2700, Montreal, Québec, H3A 3G4, Attention: Maxime Lemieux, Fax number: 514 987-1213, email: maxime.lemieux@mcmillan.ca

If you wish to contest the issuance by the Court of the Final Order, you are required, pursuant to the terms of the Interim Order, to prepare a written contestation containing the reasons why the Court should not issue the Final Order. This written contestation

must be supported as to the facts by affidavit(s), and exhibit(s), if any, and must be filed at the Office of the Clerk of the Superior Court of the District of Montreal no later than **July 27, 2021 4:30 p.m.** (Montreal time) and served on Mtre Maxime Lemieux of McMillan LLP, counsel for the Petitioner, within the same time limit, at the above-mentioned address.

TAKE FURTHER NOTICE that, if you do not file a written contestation and/or an appearance form within the above-mentioned time limits, you will not be entitled to contest the Motion for Final Order or make representations before the Court, and the Petitioner may be granted a judgment without further notice or extension.

If you wish to make representations or contest the issuance by the Court of the Final Order, it is important that you take action within the time limits indicated, either by retaining the services of an attorney who will represent you and act in your name, or by doing so yourself.

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, this June 18, 2021

McMillan s.e.n.c.r.l., s.r.l., ffd

McMillan LLP
Attorneys for the Petitioner

CANADA		PROCÈS-VERBAL D'AUDIENCE		COUR SUPÉRIEURE	
PROVINCE DE QUÉBEC				Chambre commerciale	
DISTRICT DE MONTRÉAL					
No :				Salle	
500-11-059962-213				16.04	
					22 Juin 2021
L'HONORABLE MARTIN CASTONGUAY, J.C.S.					JC00C9

IN THE MATTER OF THE PROPOSED ARRANGEMENT BY
CANADIAN METALS INC. / LES MÉTAUX CANADIENS INC.

Petitioner

Attorneys

Canadian Metals Inc / Les Métaux Canadiens Inc.	Me Emile Catimel-Marchand Me Kelsey Millward McMillan emile.catimel-marchand@mcmillan.ca kelsey.millward@mcmillan.ca
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Impleaded Parties

QNB Metals Inc and The Autorité des Marchés financiers	
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Nature de la cause : Motion for Interim and Final Order with respect to an Arrangement (Procédure 2)



Greffière : Denise Boily, g.a.c.s.	Interprète N/A	Sténographe N/A
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ENREGISTREMENT NUMÉRIQUE

Audition AM :	Début 12h05	Fin 12h20	Audition PM :	Début	Fin
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Affaires référées au maître des rôles	Résultat de l'audition : JUGEMENT
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CANADA	PROCÈS-VERBAL D'AUDIENCE		COUR SUPÉRIEURE
PROVINCE DE QUÉBEC			Chambre commerciale
DISTRICT DE MONTRÉAL			
No :		Salle	
500-11-059962-213		16.04	22 Juin 2021
L'HONORABLE MARTIN CASTONGUAY, J.C.S.			JC00C9

12h05	Début de la séance
12h05	Identification des procureurs
12h05	Questions et commentaires du Tribunal
12h06	Représentations de Me Catimel-Marchand
12h18	<p><u>LE TRIBUNAL:</u></p> <p>ACCUEILLE la Demande pour une ordonnance intérimaire aux fins de convoquer l'assemblée des actionnaires;</p> <p>ACCEPTÉ qu'il n'y ait pas de droit de rachat, eu égard aux circonstances particulières de l'affaire, mais dans un souci de transparence, ORDONNE que les mentions de l'absence de ce droit de rachat que le Tribunal identifiera plus loin, soient écrites en caractères gras de façon à attirer l'attention des actionnaires.</p> <p>Ces mentions se retrouvent aux paragraphes 28 à 33 de la requête intitulée « Motion for Interim and Final Order », à l'article 3 de l'Exhibit A du Plan d'arrangement, intitulé « Arrangement Agreement », et, finalement, à la section « Repurchase Rights » de la Circulaire d'informations, pièce R-2;</p> <p>En conséquence, le Tribunal SIGNE l'ordonnance intérimaire en vue de la convocation de l'assemblée des actionnaires.</p> <div style="text-align: center;">  HON. MARTIN CASTONGUAY, J.C.S. </div>
12h21	Fin de la séance
	 Denise Boily, g.a.c.s.

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-059962-213

Montreal, June 22, 2021

Present: The Honourable Martin
Castonguay, J.S.C.

**IN THE MATTER OF A PROPOSED
ARRANGEMENT CONCERNING:**

**CANADIAN METALS INC. / LES MÉTAUX
CANADIENS INC.**

Petitioner

and

QNB METALS INC.

and

**THE AUTORITÉ DES MARCHÉS
FINANCIERS**

Impleaded Parties

INTERIM ORDER¹

GIVEN the Petitioner's Motion for Interim and Final Order pursuant to the *Business Corporations Act* (Québec), R.S.Q., c. S-31.1 (the "**BCA**"), the exhibits, and the affidavit of Patsie Ducharme filed in support thereof (the "**Motion**");

GIVEN that this Court is satisfied that the Autorité des marchés financiers has been duly served with the Motion and has acknowledged receipt thereof;

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Information Circular to be dated June 22, 2021 and include as Exhibit R-2 of the Motion (the "**Circular**").

GIVEN the provisions of the *BCA*;

GIVEN the representations of counsel for the Petitioner;

GIVEN that this Court is satisfied, at the present time, that the proposed transaction is an “arrangement” within the meaning of Section 415 of the *BCA*;

GIVEN that this Court is satisfied, at the present time, that it is impracticable or too onerous in the circumstances for the Petitioner to effect the arrangement proposed under any other provision of the *BCA*;

GIVEN that this Court is satisfied, at the present time, that the Petitioner is able to pay its liabilities as they become due and meets the requirements set out in Section 414 of the *BCA*;

GIVEN that this Court is satisfied, at the present time, that the arrangement is put forward in good faith and, in all likelihood, for a valid business purpose;

FOR THESE REASONS, THE COURT:

- [1] **GRANTS** the Interim Order sought in the Motion;
- [2] **DISPENSES** the Petitioner of the obligation, if any, to notify any person other than the Autorité des marchés financiers with respect to the Interim Order;
- [3] **ORDERS** that all holders of common shares of the Petitioner (respectively, the “**Petitioner Shares**” and the “**Petitioner Shareholders**”) and Warrantholders be deemed parties, as Impleaded Parties, to the present proceedings and be bound by the terms of any Order rendered herein;

The Meeting

- [4] **ORDERS** that the Petitioner may convene, hold and conduct the Meeting on July 27, 2021, commencing at **11:00am** (Montréal time) by live audio webcast, at which time the Petitioner Shareholders will be asked, among other things, to consider and, if thought appropriate, to pass, with or without variation, the Arrangement Resolution substantially in the form set forth in Schedule C of the Circular to, among other things, authorize, approve and adopt the Arrangement, and to transact such other business as may properly come before the Meeting, the whole in accordance with the terms, restrictions and conditions of the articles and by-laws of the Petitioner, the *BCA*, and this Interim Order, provided that to the extent there is any inconsistency between this Interim Order and the terms, restrictions and conditions of the articles and by-laws of the Petitioner or the *BCA*, this Interim Order shall govern;
- [5] **ORDERS** that in respect of the vote on the Arrangement Resolution or any matter determined by the chair of the Meeting to be related to the Arrangement, each

registered holder of the Petitioner Shares shall be entitled to cast one vote in respect of each such the Petitioner Share held;

- [6] **ORDERS** that, on the basis that each registered holder of the Petitioner Shares be entitled to cast one vote in respect of each such the Petitioner Share for the purpose of the vote on the Arrangement Resolution, the quorum for the Meeting is fixed at one Shareholder present in person or by proxy holding, in aggregate, 5% of all the outstanding the Petitioner Shares;
- [7] **ORDERS** that the only persons entitled to attend, be heard or vote at the Meeting (as it may be adjourned or postponed) shall be the registered the Petitioner Shareholders at the close of business on the Record Date (June 22, 2021), their proxy holders, and the directors and advisors of the Petitioner, provided however that such other persons having the permission of the chair of the Meeting shall also be entitled to attend and be heard at the Meeting;
- [8] **ORDERS** that for the purpose of the vote on the Arrangement Resolution, or any other vote taken by ballot at the Meeting, any spoiled ballots, illegible ballots and defective ballots shall be deemed not to be votes cast by the Petitioner but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution;
- [9] **ORDERS** that the Petitioner, if it deems it advisable, be authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present), without the necessity of first convening the Meeting or first obtaining any vote of the Petitioner Shareholders respecting the adjournment or postponement; further **ORDERS** that notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or by mail, as determined to be the most appropriate method of communication by the Petitioner; further **ORDERS** that any adjournment or postponement of the Meeting will not change the Record Date for the Petitioner Shareholders entitled to notice of, and to vote at, the Meeting and further **ORDERS** that any subsequent reconvening of the Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Meeting;
- [10] **ORDERS** that the Petitioner may amend, modify and/or supplement the Plan of Arrangement at any time and from time to time, provided that any such amendment, modification and/or supplement is not adverse to the economic interest of any Shareholder and that:
- (a) any such amendment, modification and/or supplement made before or at the Meeting, shall be communicated in writing to the Petitioner Shareholders and to the Autorité des marchés financiers as soon as possible and in any event prior to or at the Meeting;

(b) any such amendment, modification and/or supplement made after the Meeting and before the hearing of the Motion for the Final Order (as defined below) shall be approved by this Court and subject to such terms and conditions this Court may deem appropriate and required in the any such amendment, modification and/or supplement made after the Final Order hearing shall be approved by this Court and subject to such terms and conditions this Court may deem appropriate and required in the circumstances, unless it is non-material and concerns a matter which is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

[11] **ORDERS** that the Petitioner is authorized to use proxies at the Meeting; that the Petitioner is authorized, at its expense, to solicit proxies on behalf of its management, directly or through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine; and that the Petitioner may waive, in its discretion, the time limits for the deposit of proxies by the Petitioner Shareholders if it considers it advisable to do so;

[12] **ORDERS** that, to be effective, the Arrangement Resolution, with or without variation, must be approved by the affirmative vote of not less than 66 2/3 at a minimum% of the total votes cast on the Arrangement Resolution by the Petitioner Shareholders present in person or by proxy at the Meeting and entitled to vote at the Meeting; and further **ORDERS** that such vote shall be sufficient to authorize and direct the Petitioner to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what has been disclosed to the Petitioner Shareholders in the Notice Materials (as this term is defined below);

The Notice Materials

[13] **ORDERS** that the Petitioner shall give notice of the Meeting, and that service of the Motion for a Final Order shall be made by mailing or delivering, in the manner hereinafter described and to the persons hereinafter specified, a copy of this Interim Order, together with the following documents, with such non-material amendments thereto as the Petitioner may deem to be necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order (collectively, the "**Notice Materials**"):

- (a) a letter to the Petitioner's Shareholders substantially in the same form as contained in Exhibit R-2;
- (b) the Notice of Meeting substantially in the same form as contained in Exhibit R-2;
- (c) the Circular substantially in the same form as contained in Exhibit R-2;

- (d) a Proxy substantially in the same form as contained in Exhibit R-3, which shall be finalized by inserting the relevant dates and other information;
- (e) a notice substantially in the form of the draft filed as Exhibit R-2 (Schedule "E" to the Circular) providing, among other things, the date, time and room where the Motion for a Final Order will be heard, and that a copy of the Motion shall be posted online in accordance with conclusion [15] below (the "**Notice of Presentation**");

[14] ORDERS that the Notice Materials shall be distributed:

- (a) to the registered the Petitioner Shareholders by mailing the same to such persons in accordance with the *BCA* and the Petitioner's by-laws at least twenty-one (21) days prior to the date of the Meeting;
- (b) to the non-registered the Petitioner Shareholders, in compliance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;
- (c) to the Petitioner's directors and auditors, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service; and
- (d) to the Autorité des marchés financiers, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service;

[15] ORDERS that a copy of the Motion be posted on the Petitioner's public online SEDAR profile at the same time the Notice Materials are mailed (<https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00034271>);

[16] ORDERS that the Record Date for the determination of the Petitioner Shareholders entitled to receive the Notice Materials and to attend and be heard at the Meeting and vote on the Arrangement Resolution shall be the close of business (Montréal time) on June 22, 2021;

[17] ORDERS that the Petitioner may make, in accordance with this Interim Order, such additions, amendments or revision to the Notice Materials as it determines to be appropriate (the "**Additional Materials**"), which shall be distributed to the persons entitled to receive the Notice Materials pursuant to this Interim Order by the method and in the time determined by the Petitioner to be most practicable in the circumstances;

[18] DECLARES that the mailing or delivery of the Notice Materials and any Additional Materials in accordance with this Interim Order as set out above constitutes good and sufficient notice of the Meeting upon all persons, and that no other form of service of the Notice Materials and any Additional Materials or any portion thereof,

or of the Motion need be made, or notice given or other material served in respect of the Meeting to any persons;

[19] ORDERS that the Notice Materials and any Additional Materials shall be deemed, for the purposes of the present proceedings, to have been received and served upon:

- (a) in the case of distribution by mail, three (3) business days after delivery thereof to the post office;
- (b) in the case of delivery in person or by courier, upon receipt thereof at the intended recipient's address; and
- (c) in the case of delivery by facsimile transmission or by e-mail, on the day of transmission;

[20] DECLARES that the accidental failure or omission to give notice of the Meeting to, or the non-receipt of such notice by, one or more of the persons specified in the Interim Order shall not invalidate any resolution passed at the Meeting or the proceedings herein, and shall not constitute a breach of the Interim Order or defect in the calling of the Meeting, provided that if any such failure or omission is brought to the attention of the Petitioner, it shall use reasonable efforts to rectify such failure or omission by the method and in the time it determines to be most reasonably practicable in the circumstances;

The Final Order Hearing

[21] ORDERS that subject to the approval by the Petitioner Shareholders of the Arrangement Resolution in the manner set forth in this Interim Order, the Petitioner may apply for this Court to sanction the Arrangement by way of a final judgment (the "**Motion for a Final Order**");

[22] ORDERS that the Motion for a Final Order be presented virtually on **July 30, 2021** before the Superior Court of Québec, sitting in the Commercial Division in and for the district of Montréal at the Montréal Courthouse, located at 1 Notre-Dame Street East in Montréal, Québec, Room **16.04** at **9h00** or so soon thereafter as counsel may be heard, or at any other date this Court may see fit;

[23] ORDERS that the mailing or delivery of the Notice Materials constitutes good and sufficient service of the Motion and good and sufficient notice of presentation of the Motion for a Final Order to all persons, whether those persons reside within Québec or in another jurisdiction;

[24] ORDERS that the only persons entitled to appear and be heard at the hearing of the Motion for a Final Order shall be the Petitioner and any person that:

- (a) files an appearance with this Court's registry and serve same on the Petitioner's counsel, c/o McMillan LLP, 1000 Sherbrooke West, Suite 2700,

Montreal, Quebec, H3A 3G4, Attention: Maxime Lemieux, email: maxime.lemieux@mcmillan.ca, Fax number 514 987-1213, no later than 4:30 p.m. on July 27, 2021; and

- (b) if such appearance is with a view to contesting the Motion for a Final Order, serves on the Petitioner's counsel (at the above address, email and facsimile number), no later than 4:30 p.m. on July 27, 2021, a written contestation supported as to the facts alleged by affidavit(s), and exhibit(s), if any;

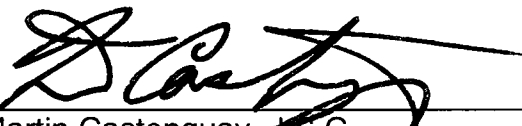
[25] ALLOWS the Petitioner to file any further evidence it deems appropriate, by way of supplementary affidavits or otherwise, in connection with the Motion for a Final Order;

Miscellaneous

[26] DECLARE that the Petitioner shall be entitled to seek leave to vary this Interim Order upon such terms and such notice as this Court deems just;

[27] ORDERS provisional execution of this Interim Order notwithstanding any appeal therefrom and without the necessity of furnishing any security;

[28] THE WHOLE without costs.



Martin Castonguay J.S.C.

SCHEDULE “F” INFORMATION CONCERNING SPINCO

The following describes the proposed business of QNB Metals Inc. (“**Spinco**”) following the completion of the Arrangement (as defined herein) and should be read together with the Spinco Financial Statements (as defined herein) attached hereto as Schedule “H”, the Carve-Out Financial Statements (as defined herein) in respect of the Lac La Chesnaye property attached hereto as Schedule “G” and the *pro forma* financial statements of Spinco attached hereto as Schedule “I”. Except where the context otherwise requires, all of the information contained in this Schedule “F” is made on the basis of completion of the Arrangement described in the management information circular of Canadian Metals Inc. (“**CME**”) dated June 22, 2021 (the “**Information Circular**”).

Unless the context otherwise requires, all references in this Schedule G” to “Spinco” means “QNB Metals Inc.”. Certain other terms used in this Schedule that are not otherwise defined herein are defined in the Information Circular to which this Schedule “F” is attached.

The disclosure in this Information Circular has not been reviewed by the CSE. Spinco will be applying to list Spinco Shares on the CSE. Listing will be subject to Spinco fulfilling all of the listing requirements of the CSE and obtaining the conditional approval of the CSE, which has not yet been granted. As a condition to listing, Spinco must file a standalone listing statement in the form of CSE Form 2A, which will be filed after completion of the Arrangement.

FORWARD-LOOKING STATEMENTS

This document contains information and projections based on current expectations. Certain statements herein may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Spinco, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used herein, such statements use such words as “will”, “may”, “could”, “intends”, “potential”, “plans”, “believes”, “expects”, “projects”, “estimates”, “anticipates”, “continue”, “potential”, “predicts” or “should” and other similar terminology. These statements reflect expectations regarding future events and performance but speak only as of the date hereof. Forward-looking statements include, among others, statements with respect to planned acquisitions, strategic partnerships or other transactions not yet concluded; market competition; plans to retain and recruit personnel; the ability to secure funding; and the ability to obtain regulatory and other approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which Spinco carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect Spinco’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Spinco. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements.

Spinco assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

Although Spinco believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Spinco can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements herein speak only

as of the date hereof. Actual results could differ materially from those anticipated due to a number of factors and risks including those described under “Risk Factors” below.

STRUCTURE OF ARRANGEMENT

On June 17, 2021, CME and Spinco entered into an arrangement agreement (the “**Arrangement Agreement**”) pursuant to which CME and Spinco agreed to complete a transaction (the “**Arrangement**”) whereby shareholders of CME (“**Shareholders**”) will be issued Class A common shares of Spinco (“**Spinco Shares**”) in consideration for the transfer by CME to Spinco of:

- (b) the Lac La Chesnaye property and all business, corporate, legal and accounting books, records and documents related to the Lac La Chesnaye property (the “**Spinout Assets**”); and
- (c) all liabilities or obligations of any type whatsoever (including contingent or absolute obligations, and future obligations) of CME, including all liabilities or obligations for taxes payable arising from or in connection with the Spinout Assets (collectively, the “**Spinout Liabilities**”).

Pursuant to the Arrangement Agreement, at or after 12:01 a.m. (Montréal time) (the “**Effective Time**”) on the date upon which the Arrangement becomes effective (the “**Effective Date**”):

- CME will transfer the Spinout Assets to Spinco and Spinco will assume the Spinout Liabilities in accordance with the Arrangement Agreement in exchange for 4,300,000 Spinco Shares;
- CME will undertake a reorganization of its share capital;
- CME will distribute Spinco Shares to Shareholders such that each Shareholder will receive the number of Spinco Shares equal to 4,300,000 divided by the number of common shares of CME (the “**Common Shares**”) issued and outstanding immediately prior to the Effective Time, which is anticipated to be approximately 0.0622 Spinco Shares, in exchange for each Common Share held by the Shareholder at the Effective Time; and
- upon completion of the Arrangement and pursuant to the terms of the Arrangement Agreement, an aggregate of 4,300,000 Spinco Shares will be issued and outstanding.

Prior to closing of the Arrangement, Spinco intends to complete a non-brokered private placement financing (the “**Spinco Financing**”) of a minimum of 5,000,000 units of Spinco (“**Spinco Units**”) and a maximum of 15,000,000 Spinco Units at a price of \$0.10 per Spinco Unit for minimum aggregate gross proceeds of \$500,000 and maximum aggregate gross proceeds of \$1,500,000. Each Spinco Unit will be comprised of one Spinco Share and one-half of one common share purchase warrant of Spinco (each whole warrant, a “**Spinco Warrant**”). Each Spinco Warrant will entitle the holder thereof to purchase one Spinco Share at an exercise price of \$0.18 for a period of 24 months from the date of issuance.

At the annual general and special meeting of Shareholders to be held on July 27, 2021 (and any adjournment or postponement thereof) (the “**Meeting**”), Shareholders will be asked to vote on the Arrangement pursuant to terms of the Arrangement Agreement and the plan of arrangement set forth in the Arrangement Agreement (the “**Plan of Arrangement**”) and to approve the stock option plan of Spinco, which is based substantially on the stock option plan of CME (the “**Spinco Option Plan**”).

The provisions of the Arrangement Agreement are the result of negotiations between representatives of CME and Spinco.

CORPORATE STRUCTURE

Name, Address and Incorporation

Spinco was incorporated under the *Canada Business Corporations Act* (the “**CBCA**”) on October 19, 2020 under the name “Contact Vet Inc.”. On May 18, 2021, Spinco changed its name to “QNB Metals Inc.”. The head office and registered office of Spinco is located at 866 3e Avenue, Val d'Or, Québec J9P 1T1. Spinco is not a reporting issuer and its common shares are not listed on any stock exchange.

Intercorporate Relationships

Spinco is a wholly-owned subsidiary of CME. Upon completion of the Arrangement, it is anticipated that CME will not hold any of the issued and outstanding Spinco Shares.

DESCRIPTION OF THE BUSINESS

Summary of the Business

Currently, Spinco has no assets or operations. Prior to the Effective Date of the Arrangement, Spinco will not carry on any business except as contemplated by the Arrangement. After the Effective Date, Spinco will be engaged in the business of exploration of the Lac La Chesnaye property. The Lac La Chesnaye property is located 11km north of Baie-Comeau, in the province of Québec, Canada. The property covers a total area of 448 Ha and comprises of 8 claims that are in the process of being granted and one claim that was previously acquired from SiO2 Canada Ltd. These claims are currently 100% held by CME and upon the completion of the Arrangement will be held by Spinco. Spinco will be an exploration stage company, will own no developing or producing properties and, consequently, will have no operating income or cash flow from the property it holds.

Spinco is not currently a reporting issuer and the Spinco Shares are not listed on any stock exchange. If the Arrangement is completed, Spinco expects that it will be a reporting issuer in British Columbia, Alberta, Ontario and Québec. As set forth above, Spinco will make an application for the listing of the Spinco Shares on the CSE after completion of the Arrangement. Any listing of the Spinco Shares will be subject to meeting CSE listing requirements and there is no assurance such a listing will be obtained.

Description of Business

The mineral property to be acquired by Spinco pursuant to the Arrangement is CME’s direct and indirect right, title and 100% interest in and title to the Lac La Chesnaye property located 11km north of Baie-Comeau, in the province of Québec, Canada, which will be transferred from CME to Spinco pursuant to the Arrangement Agreement in exchange for the issuance of 4,300,000 Spinco Shares.

Pursuant to the Arrangement Agreement and an asset purchase agreement, Spinco will also be transferred all business, corporate, legal and accounting books, records and documents used in the conduct of and related to the undertakings of the Lac La Chesnaye property. Spinco will also assume the Spinco Liabilities.

Pursuant to the Arrangement Agreement, Shareholders will be issued such number of Spinco Shares such that each Shareholder will receive the number of Spinco Shares equal to 4,300,000 divided by the number of Common Shares issued and outstanding immediately prior to the Effective Time, which is anticipated to be approximately 0.0622 Spinco Shares, in exchange for each Common Share held at the Effective Date.

Available Fund and Principal Uses

Pursuant to the terms of the Arrangement Agreement, assuming completion of the Arrangement and minimum proceeds of \$500,000 and maximum proceeds of \$1,500,000 from the Spinco Financing, it is anticipated that Spinco will have available cash of a minimum of approximately \$500,000 and a maximum of approximately \$1,500,000.

The following table summarizes expenditures anticipated by Spinco required to achieve its business objectives during the 12 months following completion of the Arrangement and the proposed listing of the Spinco Shares on the CSE:

Principal Use of Available Funds	Amount (assuming \$500,000 of aggregate gross proceeds under the Spinco Financing)	Amount (assuming \$1,500,000 of aggregate gross proceeds under the Spinco Financing)
Obtain CSE listing ⁽¹⁾	\$100,000	\$100,000
Finder fee Spinco Financing	\$40,000	\$120,000
Exploration expenditures	\$125,000	\$125,000
General and Administrative	\$150,000	\$150,000
Unallocated working capital	\$85,000	\$1,005,000
Total	\$500,000	\$1,500,000

Notes:

- (1) Consists of transfer agent fees, legal fees, audit costs and miscellaneous fees.

Spinco intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for Spinco to achieve its objectives or to pursue other exploration and development opportunities. See “*Risk Factors*” below.

Business Objectives and Milestones

With the funds available to it as described under “*Available Fund and Principal Uses*”, Spinco intends to, during the 12 months following completion of the Arrangement:

- complete its application for listing of the Spinco Shares on the CSE, which is anticipated to occur in August, 2021;
- continue exploration of the Lac La Chesnaye property; and
- as opportunities arise, expand its portfolio of exploration properties.

Spinco plans to stay in the mineral exploration business. Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to Spinco. Spinco may abandon in whole or in part, its interest in the Lac La Chesnaye property, or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining the Lac La Chesnaye property or other properties acquired by Spinco, although Spinco has no present plans in this respect.

Competitive Conditions and Financing Risk

The mining industry is intensely competitive in all its phases. Spinco will compete for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than Spinco. The competition in the mineral exploration and development business could have an adverse effect on Spinco’s ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

Employees

Upon completion of the Arrangement, Spinco will have no direct employees. Spinco expects to rely on and engage consultants on a contract basis, as is usual in the mineral exploration business in Canada.

Environmental Protection

The future operations of Spinco, including exploration, acquisition and development activities, are subject to extensive laws and regulations governing environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations can increase the costs of, and potentially delay, planning, designing, drilling and developing Spinco's properties.

Social or Environmental Policies

Spinco has not implemented any social or environmental policies that are fundamental to Spinco's operations.

Bankruptcy and Similar Procedures

There are no bankruptcy, receivership or similar proceedings against Spinco or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by Spinco.

THE LAC LA CHESNAYE PROPERTY

Information of a scientific or technical nature in respect of the Lac La Chesnaye property in this Schedule "F" is derived from portions of the independent NI 43-101 technical report dated effective May 31, 2021, entitled "NI 43-101 Technical Report Update Silica Potential Estimation of the La Chesnaye Lake Property, Baie-Comeau, Québec, Canada" (the "**Spinco Technical Report**") prepared by Merouane Rachidi, P. Geo. and Claude Duplessis, P. Geo. Both authors are independent of the Spinco and are qualified persons as defined by NI 43-101.

Readers are cautioned that the summary of technical information in this Schedule "F" should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Spinco Technical Report and the summary provided herein is qualified in its entirety by Spinco Technical Report. Capitalized and abbreviated terms appearing in this section and not otherwise defined herein have the meaning ascribed to such terms in the Spinco Technical Report.

Property Description, Location

The property is located within NTS map sheet 22F08, in the municipality of Baie-Comeau, within the Regional Municipality (MRC) of Manicouagan, region of Côte-Nord. The property is approximately 15 kilometers north of the city of Baie-Comeau at latitude 49°19'27.91" N and longitude 68°10'22.54" W in UTM zone 19.



Figure 1: La Chesnaye Lake Property location map

The property is made of ten claims (CDC) covering an area of 561.72 hectares. According to the Ministry of Energy and Natural Resources of Quebec GESTIM (Gestion des titres miniers), the active permits are 100% owned by the Company. These claims will be transferred 100% to Spinco following the arrangement plan at the Court (Press release May 20, 2021).

The authors did not verify the status of claims, but rather examined the data on available computer support as well as the information on the public register of mining rights of the GESTIM dated May 28th, 2021.

Most the claims are expiring in 2022 and one claim (CDC 2508431) will expire in 2023. A summary of the tenure information as extracted from the GESTIM website (as of the effective date of this technical report) is presented in Table 3.

Table 3: Claims information of the La Chesnaye Lake Property

Sheet	Type	Title No.	Area (Ha)	Required work (\$)	Required Fee (\$)	Expiry date
22F08	CDC	2431373	56.11	780	64.09	2019-07-21
22F08	CDC	2506959	56.14	780	64.09	2019-11-27
22F08	CDC	2506960	56.14	780	64.09	2019-11-27
22F08	CDC	2506961	56.14	780	64.09	2019-11-27
22F08	CDC	2506962	56.13	780	64.09	2019-11-27
22F08	CDC	2506963	56.13	780	64.09	2019-11-27
22F08	CDC	2506964	56.12	780	64.09	2019-11-27
22F08	CDC	2506965	56.11	780	64.09	2019-11-27
22F08	CDC	2506966	56.10	780	64.09	2019-11-27
22F08	CDC	2508431	56.10	780	64.09	2020-01-08

Table 3 was modified after GESTIM (Gestion des titres miniers – Gouvernement du Québec) downloaded November 30th, 2018.

The claims are map-designated and have pre-established positions. No legal survey of the claims is required.

The authors are not aware if there is a royalty obligation on the Lac La Chesnaye property.

As defined by the MERN website (www.mern.gouv.qc.ca), the claim is the only valid exploration right in Québec. The claim gives the holder an exclusive right to search for mineral substances in the public domain on the land subjected to the claim, except within sand, gravel, clay, and other loose deposits. The term of a claim is two years from the day the claim is registered, and it can be renewed indefinitely providing the holder meets all the conditions set out in the Mining Act, including the obligation to invest a minimum amount required in exploration work as determined by the regulation. The Mining Act includes provisions to allow any amount disbursed to perform work, in excess of the prescribed requirements, to be applied to subsequent terms of the claim.

The authors are not aware if there are an environmental liabilities pertaining to the Lac La Chesnaye property.

The only permit required to carry out exploration on the property is the usual permit for forestry management. The company must also respect all the environmental laws applicable to the type of the exploration/exploitation works. An application for a new permit will be necessary for additional exploration activities.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Lac La Chesnaye property is road accessible by car via paved provincial Highway 138 and three (3) km on a gravel road Roland Munger to the ski resort Mount Ti-Basse. Then, seven and a half (7.5) km on an old bush road, now a cross-country ski trail, accessible by VTT and approximately two (2) km hiking in the bush to go around the mountain. A barge could also be used to get to the site. A dock is located two (2) km away from the ski resort, at the end of la Base de Plein Air road. Cars can be driven all the way to the marina.

Access to the Lac La Chesnaye property may be troubled by heavy snow accumulation. The property could still be accessed by snowmobile in winter.

M. Rachidi P. Geo., visited the claims located to the east of the lake. The claims located to the south-west of the Lac La Chesnaye were not visited by GMG’s geologist. As seen on the satellite maps, the property is accessible via the ski resort then by la Base de Plein Air road by car. Half way on the la Base de Plein Air road, take a turn to the left on a bush road. The quality of the road is unknow at the moment. But it would be practicable by VTT of by foot. Both sectors are accessible via the ski resort Mount Ti-Basse.

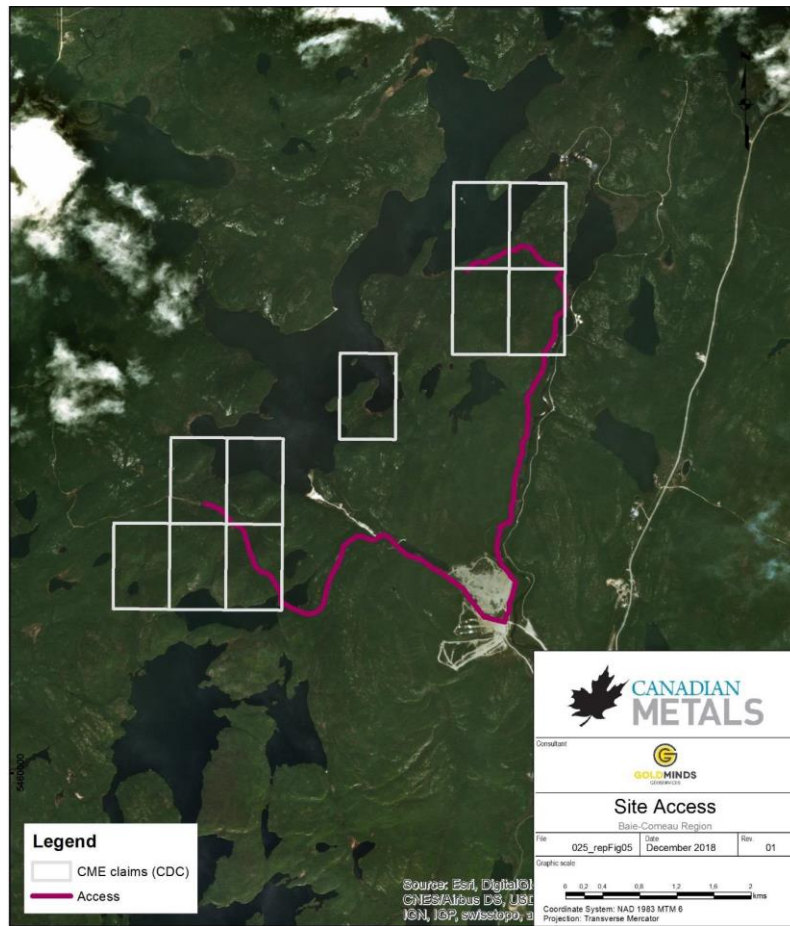


Figure 3: Aerial view of the Property’s access road

The Lac La Chesnaye Property is located on the northwestern slope of a 150-m high mountain. The Lac La Chesnaye is located on the northeastern side of the property. The lake's elevation is 63 m above mean sea level. The property is entirely covered by thick forest dominated by conifers. Although, outcrops can be easily found across the property.

The closest climate data collection site is the Les Buissons station located at latitude 49°5'25'' and longitude 68°19'20'', in Pointe-aux-Outardes, 28km southwest of the property. Table 4 presents the 2017 monthly report from Environment Canada.

Table 4: Temperature and Precipitation (°C)

Month	Temperature Mean			Precipitation		
	Max. (°C)	Min. (°C)	Mean (°C)	Rain (mm)	Snow (cm)	Total (mm)
January	-5	-15.8	-10.4	7.8	52.6	60.4
February	-5	-17.1	-11.1	22	26.4	48.4
March	-2.8	-14.6	-8.8	2	82.4	84.4
April	4.9	-3.3	0.8	60.8	-	60.8
May	13.4	3.1	8.3	46.8	0	46.8
June	18.5	8	13.3	62.2	0	62.2
July	20.7	9.2	15	44	0	44
August	19.4	9.2	14.3	35	0	35
September	16.9	7.2	12.1	50	0	50
October	12	1.6	6.8	120.8	0	120.8
November	1.6	-6.8	-2.6	64.4	9.6	74
December	-6.3	-15.3	-10.8	0	21.8	21.8
Annual	-	-	-	515.8	-	708.6

The Lac La Chesnaye property is located at approximately 20 km from the nearest town of Baie- Comeau. A deep-water port and railways are available in Baie-Comeau. The city of Baie-Comeau has a population of approximately 21,200. The area has a history of important forestry, mining and industrial industry. As such, experienced workforce is available in the region.

History

Geological mapping and exploration of the Lac La Chesnaye area of the Manicouagan Region by governmental institutions began with the investigations of Carl Faessler in 1933. A sample from La Chesnaye Lake graded 99.71% SiO₂ and 0.18% iron oxide. The biggest quartzite deposit identified by the author was located at 4.5 miles from the La Chesnaye lake, in the rivière des Anglais valley (Figure 4 and Figure 5).

In 1952, the Québec North Shore Paper Company took 122 surface samples from four trenches, each weighing around 22.7 kg grading an average of 99.0% SiO₂, 0.77% Al₂O₃ and 0.22% Fe₂O₃. Twenty (20) additional surface samples were taken from outcrops. They returned average grades of 99.0% SiO₂, 0.58% Al₂O₃ and 0.58% Fe₂O₃.

In 1957, 15 diamond drill holes were drilled by the Québec North Shore Paper Company. The historical sampling data show a high content of silica (SiO₂ between 98% and 99.71%).

The property was abandoned subsequent the exploration works done in 1985.

Québec North Shore Paper Company, publish in the 20/10/1985 edition of the Northern Miner, the historical reserves* of 3.5 Mt grading 98% SiO₂.

Resources Vogue, did in 1994 an exploration work and sampled on the west side of the lake to verify the structural continuity of the quartzite. Sampled reported average grade of 99.18% in SiO₂ with contaminants (0.26% Al₂O₃, 0.10% Fe₂O₃, 0.14% K₂O and 0.04% TiO₂). Because of the hard accessibility and the rugged terrain, the authors do not recommend future work.

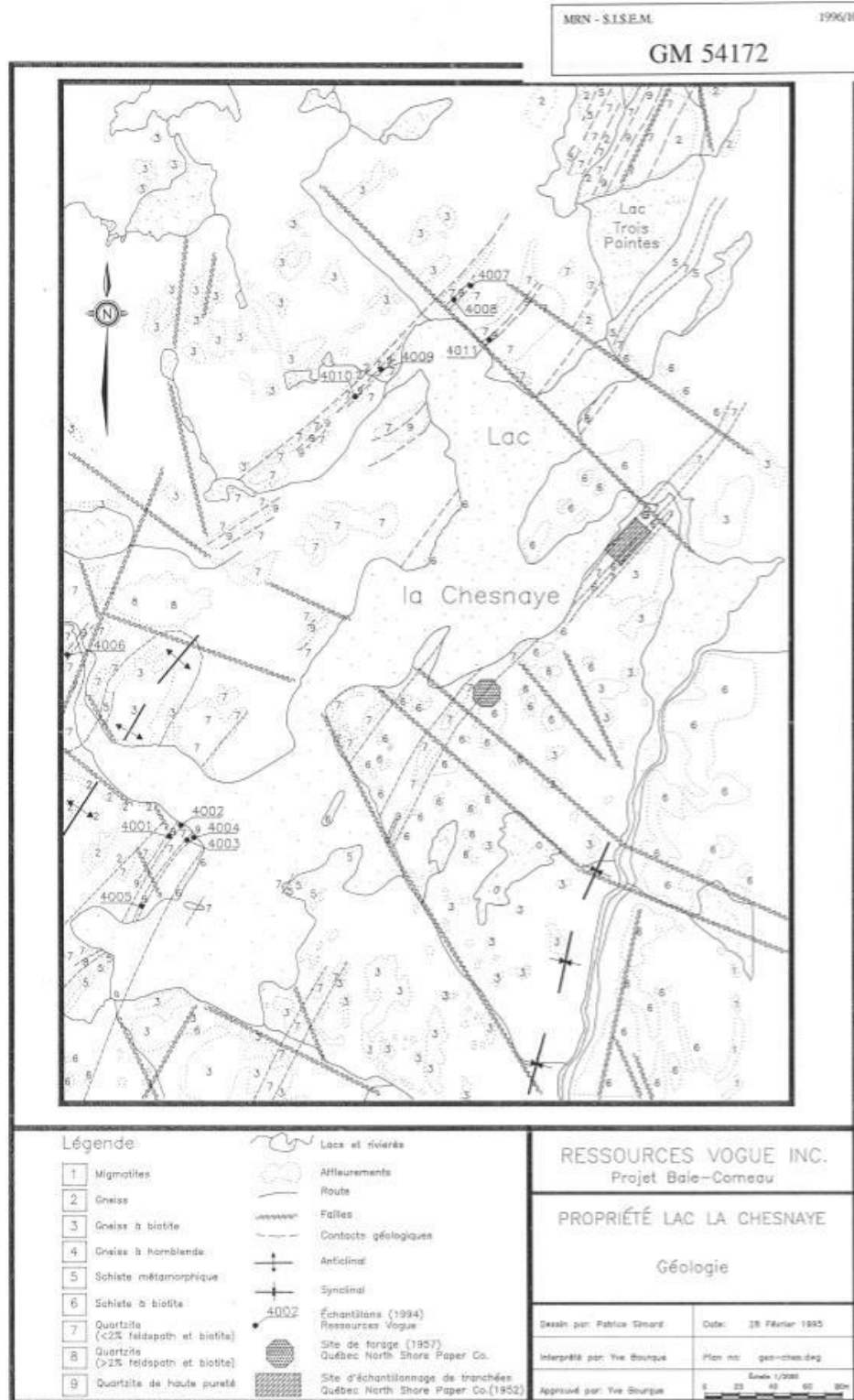


Figure 4: Location of historical work (source: Work Assessment report, La Chesnaye Lake property, 1995)

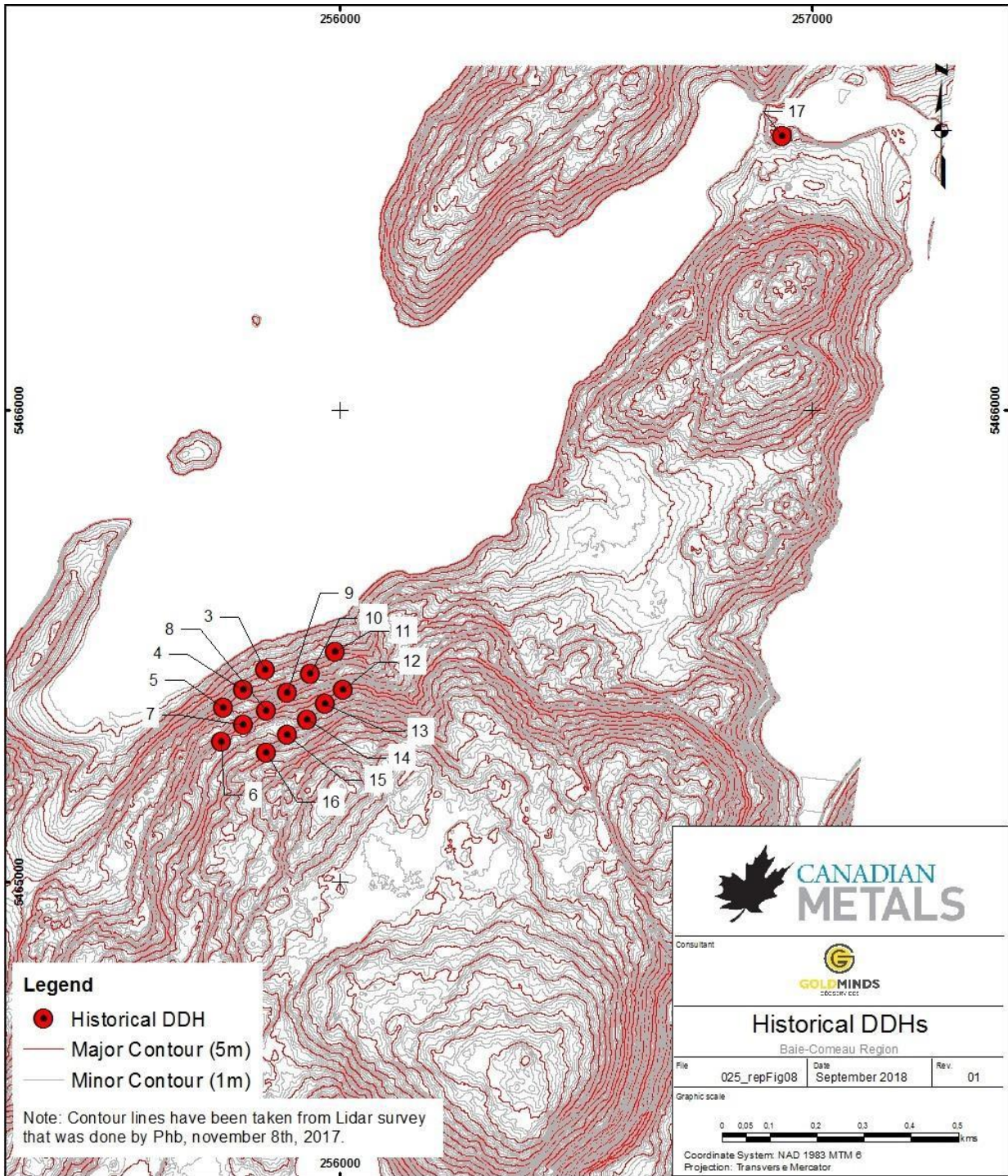


Figure 5: The historical diamond drill holes (DDH) localisation

Geological Setting, Mineralization and Deposit Types

Regional Geology

The Lower Manicouagan river region is composed of Precambrian consolidated rocks which has the same characteristic as the Grenville sub province. A high quantity of highly metamorphized paragneiss and gneiss from unknown origin can be found with the plutonic rocks with compositions that ranges from diorite to granite (Figure 6, Figure 7 and Figure 8).

The oldest rock in the region are from the Proterozoic period and can be found as a heterogenous group of paragneiss. Their texture and structures suggest that they are primarily from sedimentary origin and, in smaller proportion, volcanic rock. The paragneiss are composed of alternating thin layers of quartz, plagioclase, some biotite and some hornblende that contains a little bit of quartz and feldspath. Gneiss and granitic gneiss are the most important rock group of the region. The composition, texture and structure of the rocks vary greatly but generally present a granitic aspect. This group possess numerous characteristic that are common to massive granitic rock as well as paragneiss. They present a more pronounced metamorphism than the paragneiss. The majority of the gneiss shows grey and pink colors produced by superficial alteration. The composition varies greatly, however the quartz, plagioclase, orthoclase, biotite and hornblende remain that main constituent.

Granitic rocks can be differentiated from each other by their texture and composition. That rock group, generally massive, contains granite, porphyric granite, granite to pyroxene, granodiorite, and in smaller proportion, syenite and quartz diorite. Generally, the contacts are not well defined.

Glacial streaks, flutes and rock polish constitute proofs of intense glacial action during the Pleistocene glaciation. A moraine made from blocks inside a sand and gravel matrix covers an important part of the region. These blocks come from typical rock in the region, however a number of pink and white quartzite and conglomerates from smaller rocks comes from the Otis mountain range in the north.

Marine clay containing Pleistocene fossils and outwash sand form terraces along the Saint-Lawrence River and along the lower rivers that flows into the Saint-Lawrence.

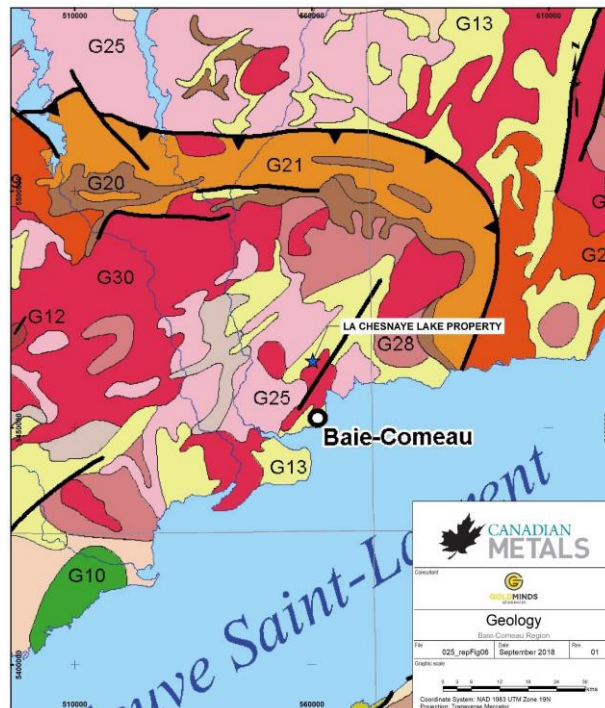


Figure 6: Geological map deposit (source: Work Assessment report, La Chesnaye Lake property, 1995)



Figure 7: Legend for Figure 6 (source : Work Assessment report, La Chesneaye Lake property, 1995)

Local Geology

The Lac La Chesneaye deposit corresponds to Bourdon complex (1491 Ma) composed mainly by paragneiss with biotite containing silimanite, cordierite, pyroxene, garnet and some graphite, migmatized paragneiss and migmatite of sedimentary origin (more than 50% of leucosomes). The northern limit of the property is mainly composed by white and grey quartzite. The Bourdon complex is affected by granite intrusions called 'Granite de Éthier'. This later is

Exploration

Exploration work has been done on the site since 1933. A hundred and twenty-two (122) samples were taken within four (4) trenches in 1952 and an additional twenty (21) sample was also taken. Fourteen (15) diamond drill holes were completed in 1957 for a total of 443 meters (Table 5). Some analysis results are present in historical reports but only incomplete information was found.

Table 5: Diamond drill holes, campaign 1957 (UTM coordinates, NAD 83 zone 19)

Hole name	Easting	Northing	Elevation	Azimuth	Dip	Length
3	560053,00	5463919,00	135	0	-90	30,48
4	560007,00	5463876,00	142	0	-90	30,48
5	559965,00	5463836,00	152	0	-90	31,39
6	559964,00	5463765,00	131	0	-90	17,68
7	560008,00	5463802,00	130	0	-90	30,48
8	560056,00	5463833,00	123	0	-90	30,48
9	560100,00	5463872,00	113	0	-90	30,18
10	560149,00	5463913,00	100	0	-90	30,48
11	560200,00	5463961,00	88	0	-90	31,39
12	560218,00	5463879,00	132	0	-90	30,78
13	560181,00	5463850,00	142	0	-90	30,78
14	560145,00	5463816,00	146	0	-90	34,14
15	560103,00	5463782,00	148	0	-90	35,66
16	560058,00	5463743,00	150	0	-90	30,48
17	561127,00	5465071,00	N/A	0	-90	18,59

The 2017 exploration campaign was the first exploration expenditure by Canadian Metals Inc. on the Lac La Chesnaye Lake. The campaign had two main goals. The first goal was to confirm the data from the 1957 drilling campaign and the second one was to acquire 25 kg samples for metallurgical testing.

During the 2017 exploration program ten surface samples were taken (Table 6). Four (4) grab samples (around 25 kg each sample) were taken for metallurgical testing and six smaller grab samples were also taken for grade and composition analysis (Figure 10).

Table 6: The sampling data, 2017 campaign

Name	UTM North (m)	UTM East (y)	Elevation (z)	Sample Type
GS17-01	560113	5463924	93	Metallurgical Test Sampling
GS17-02	560123	5463888	112	Metallurgical Test Sampling
GS17-03	560012	5463829	124	Metallurgical Test Sampling
GS17-04	560129	5463906	112	Metallurgical Test Sampling
S17-01	559993	5463843	106	Grab Sample
S17-02	560108	5463871	120	Grab Sample
S17-03	560077	5463890	106	Grab Sample
S17-04	560054	5463850	116	Grab Sample

S17-05	560039	5463839	120	Grab Sample
S17-06	560008	5463856	106	Grab Sample

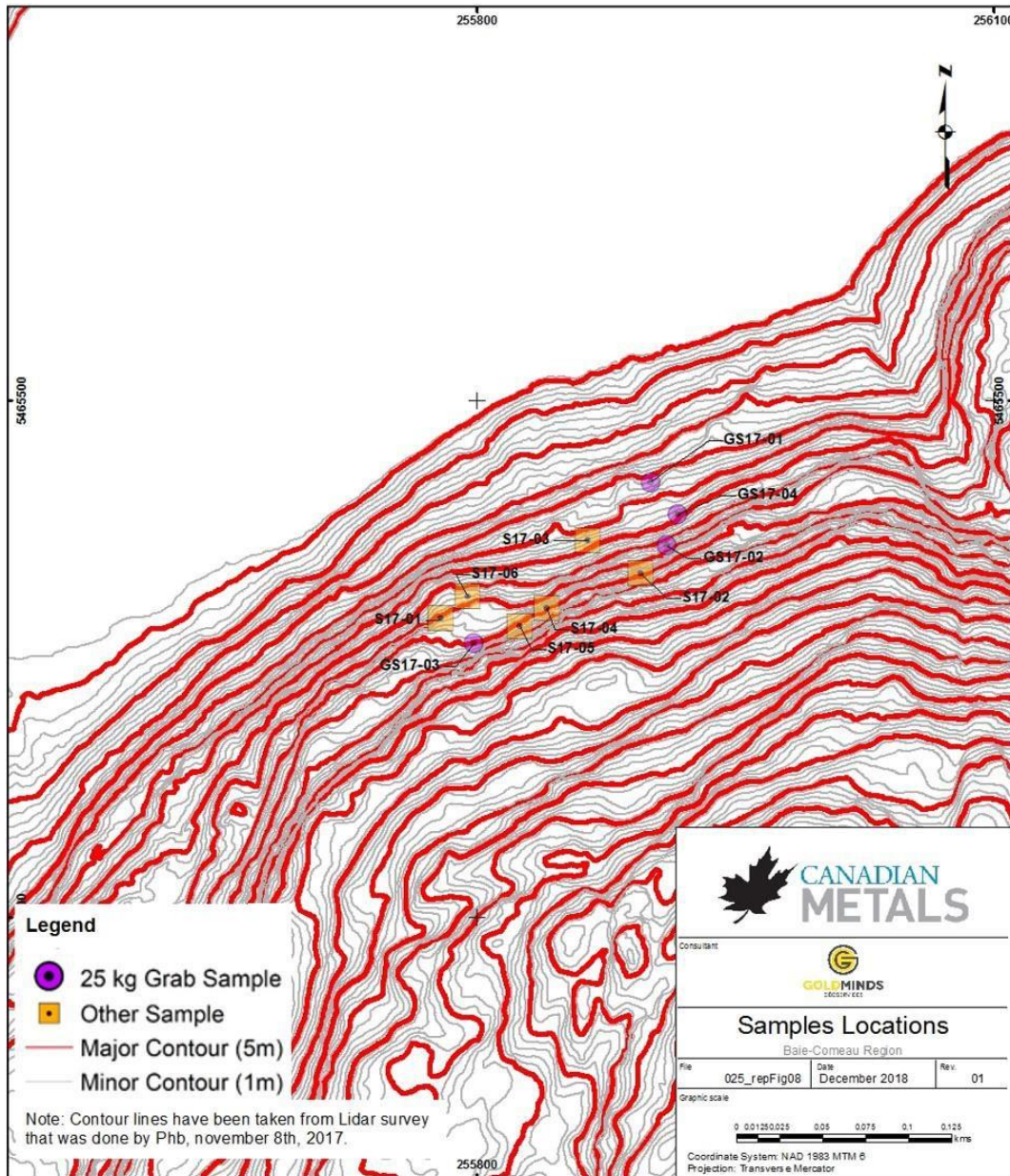


Figure 10: Location of samples taken by GMG in 2017

In order to access the site during the 2017 visit, GMG contacted La Coopérative forestière La Nord- Côtère, a forestry company to operate a trail in the forest, between the cross-country ski trail through most part of the site. The width of the line is around 1.5 meters (Figure 11).



Figure 11: Proposed line cutting

Contour lines have been taken from Lidar survey done by Phb company in November 2017 (see Figure 10).

Drilling

The drilling program was done mid-November 2017 (from the 15th until the 18th). Four short holes were drilled (Figure 13). Each drill core's length is around 0.3 meter for a total of 1.3 meter (BC 17-01, BC 17-02, BC 17-03 and BC 17-04) and 1.25 inch in diameter, see Table 7 for coordinates.

Table 7: Collars details

Name	UTM North (m)	UTM East (y)	Elevation (z)	Sample Type
BC17-01	560107	5463904	103	Drill Core
BC17-02	560128	5463890	113	Drill Core
BC17-03	560112	5463921	89	Drill Core
BC17-04	560066	5463904	99	Drill Core



Figure 13: Drill holes location, The La Chesnaye property

Sampling, Analysis and Data Verification

The extraction of the drill core took a lot of time. The manual drilling machine was not well adapted to the hardness of the deposit. Once the drilling core was extracted, the geologist took photos of the core, then the whole core was placed in a plastic bag adding a tag to ease identification and closed with a tie-wrap and sent back to the GoldMinds Geoservices (“**GMG**”) office in Québec City.

The core samples were then sent for assaying to ALS laboratory tested for 13 major elements (Al_2O_3 , BaO, CaO, Cr_2O_3 , Fe_2O_3 , K₂O, MgO, MnO, Na₂O, P₂O₅, SO₃, SiO₂, SrO, TiO₂) with XRF instrument.

From the Lac La Chesnaye property, a total of ten surface samples were taken. Four grab samples of around 25 kg each for metallurgical test and six smaller grab samples were also taken for grade and composition analysis. All samples were brought back to the office of GMG in Québec City. They were cleaned with a brush and water to remove organic particles and sent to the ALS laboratory in Val d’Or and to CTMP in Thetford Mines (Centre de Technologie Minérale de Plasturgie Inc.)

The surface samples sent to the ALS laboratory were pulverised and tested for 13 major elements (Al_2O_3 , BaO, CaO, Cr_2O_3 , Fe_2O_3 , K₂O, MgO, MnO, Na₂O, P₂O₅, SO₃, SiO₂, SrO, TiO₂) with XRF instrument. The samples sent to CTMP were heated to 1000° during 30 minutes for the decrepitation test.

Only few samples were gathered for less than two meters in total within the four manual drill holes. For that reason, no Quality Assurance/Quality Control program was put in place during the campaign.

The core sampling and the surface sampling, sample preparation, sample handling and transport all followed a protocol established by GMG that included a strict chain of custody from sampling to the laboratory.

Samples were sent to ALS laboratory and to CTMP in sealed containers. The authors believe that the sampling preparation, security, and analytical procedures used by the Company are consistent with generally accepted industry best practices and are therefore adequate to support the mineral potential estimation.

In accordance with the NI 43-101 guidelines, M. Rachidi, P. Geo., from GMG visited the property twice on September and November 2018. The second visit took place during active drilling and sampling. All aspects that could materially impact the integrity of the mineral potential database (sampling and database management) were verified while the visit to ascertain exploration procedures and protocols.

The visit is still current as no material change on exploration work has occurred since this last visit.

The 2017 exploration program at the Lac La Chesnaye property was established to verify the historical data on the property. GMG supervise the program and surface samples were all taken by M. Rachidi, P. Geo., during the site visit. Assay results for the verification samples confirmed the presence of SiO₂ that range between 93.52% and 99.13 % SiO₂.

Mineral Processing and Metallurgical Testing

Not applicable.

Mineral Resource Estimates

The historical database and the recent drilling program of 2017 supplied to GMG does not allow to estimate the mineral resources of the Lac La Chesnaye property. Some important data are missing, like a recent diamond drilling program to evaluate the distribution of the quartzite in depth and along the property.

Until the Canadian Metals realises a diamond drilling campaign, GMG has estimated the mineral potential 1 of the La Chesnaye property using the historical data and the result of the recent sampling all presented under “Other Relevant Data and Information” below.

Mineral Reserve Estimates

Not applicable.

Mining Methods

Not applicable.

Recovery Methods

Not applicable.

Project Infrastructure

Not applicable.

Market Studies and Contracts

Not applicable.

Environmental Studies, Permitting and Social or Community Impact

Not applicable.

Capital and Operating Costs

Not applicable.

Economic Analysis

Not applicable.

Exploration, Development, and Production and Recommendations

A diamond drilling campaign is needed on the Lac La Chesnaye site for a better understanding of the silica mineralization extensions at depth. To test the mineral potential of the Lac La Chesnaye, GMG propose the following:

- Before the start of the diamond drilling program GMG recommend a geological mapping at the Lac La Chesnaye site for a better understanding of the quartzite bands (thickness, orientation, etc.). A line cutting and a mechanical stripping if needed is also recommended. A total budget of around 25,000.00 CAD has to be dedicated for the geological mapping and line cutting or stripping;
- A diamond drilling program at the Lac La Chesnaye site, a total of 500 meters (100,000.00 CAD, all costs included) of drilling is recommended;
- All the drill holes have to be surveyed with a total station or differential GPS. Azimuth, dip and the length of each hole must be taken.
- It is recommended to carry density measurements on fresh cores during the next drilling program in order to monitor the density.
- Before the start of drilling, the Company has to set up a QA/QC control program using the standards, the blanks, the sample duplicate procedure and the laboratory standards.

Communication with local community, First Nation, MERN and MDDELCC to obtain authorizations for future works is recommended. Drilling recommendation is dependent of geological mapping success. The access is an important factor to consider and could prove difficult in an eventual operation.

DIVIDENDS OR DISTRIBUTIONS

Spinco has not paid any dividends on the Spinco Shares since incorporation and it is not contemplated that Spinco will pay any dividends on the Spinco Shares in the immediate or foreseeable future. Any payment of dividends in the future will be at the discretion of the board of directors of Spinco.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table is a summary of selected annual financial information of Spinco for the period from incorporation on October 19, 2020 to April 30, 2021. The audited financial statements of Spinco for the period from incorporation on October 19, 2020 to April 30, 2021, together with the notes thereto and the auditors' report thereon (the "**Spinco Financial Statements**") are attached as Schedule "H" to this Information Circular.

Balance Sheet Data	As at April 30, 2021
Cash	\$1
Total assets	\$1
Total liabilities	\$14,022
Shareholders' equity	\$(14,021)

Income Statement Data	Period from incorporation on October 19, 2020 to April 30, 2021
Total revenue	\$0
Total expenses	\$14,022
Net income (loss)	\$(14,022)

Upon completion of the Arrangement, exploration of the Lac La Chesnaye property will form the primary business of Spinco. As a result, included as Schedule “G” to this Information Circular are the audited carve-out financial statements related to the Lac La Chesnaye property for the years ended July 31, 2020 and 2019 and for the nine months ended April 30, 2021, comprised of carve-out statements of exploration and evaluation assets and mining property and notes to such carve-out statements for the years ended July 31, 2020 and 2019 and for the nine months ended April 30, 2021 (the “**Audited Carve-Out Financial Statements**”).

The following tables set out selected financial information in respect of the Spinout Assets as at and for the year ended July 31, 2021 and as at and for the non-month period ended April 30, 2021, all of which is qualified by the information contained in the Audited Carve-Out Financial Statements.

	As at July 31, 2019	As at July 31, 2020	As at April 30, 2021
Mineral property acquisition costs	\$428,153	\$428,153	\$428,153
Exploration and evaluation expenses	\$107,073	\$107,073	\$107,073

The Spinco Financial Statements and the Carve-Out Financial Statements were prepared in accordance with International Financial Reporting Standards.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following Management’s Discussion and Analysis (“**MD&A**”) is as at the date of this Information Circular and relates to the financial information from Spinco’s incorporation on October 19, 2020 to April 30, 2021. It includes financial information from, and should be read in conjunction with, the Spinco Financial Statements and the notes thereto, which are attached as Schedule “H” to this Information Circular, as well as the disclosure contained throughout this Schedule “F” and the Information Circular. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated.

Overall Performance

Spinco was incorporated on October 19, 2020. Spinco’s sole business focus has been to (i) acquire and operate the exploration of the Lac La Chesnaye and (ii) make an application to list the Spinco Shares on the CSE. To that end, Spinco has entered into various agreements with CME for the acquisition of the Spinout Assets, including the Arrangement Agreement. Other than the acquisition of the Lac La Chesnaye property, Spinco has made no significant acquisitions or dispositions since incorporation.

Upon the completion of the Arrangement, Spinco will commence exploration and, as warranted, development of the Lac La Chesnaye property.

Upon completion of the Arrangement, Spinco will have available funds of approximately \$460,000, assuming gross proceeds of \$500,000 under the Spinco Financing, or approximately \$1,380,000, assuming gross proceeds of \$1,500,000 under the Spinco Financing, which management believes will be sufficient for all of Spinco’s needs in the first 12 months following listing on the CSE. See in this Schedule “F”, “*Description of the Business - Available Fund and Principal Uses*”. Spinco may seek to raise additional funds through public or private equity funding, bank debt financing or from other sources.

Selected Financial Information

See “*Selected Consolidated Financing Information*” above.

Results of Operations

Net Sales or Total Revenues

For the period from incorporation on October 19, 2020 to April 30, 2021, Spinco had no revenues and had net operating loss of \$14,022.

Any other Significant Factors causing Changes in Net Sales or Total Revenues

This section is not applicable to Spinco as Spinco has had no revenues for the period from incorporation on October 19, 2020 to April 30, 2021.

Cost of Sales or Gross Profit

For the period from incorporation on October 19, 2020 to April 30, 2021, Spinco had no revenues and had net operating loss of \$14,022.

Lac La Chesnaye Property

After the Effective Date, Spinco plans to commence exploration and, as warranted, development of the Lac La Chesnaye property. See “*Lac La Chesnaye Property*”.

Factors that Caused Change between Costs and Revenues

Spinco was incorporated on October 19, 2020 and has not yet completed a financial year, therefore this information is not available.

Commitments, Events, Risks or Uncertainties

Spinco presently has no contractual obligations other than as disclosed in the Information Circular and pursuant to the agreements related to the Lac La Chesnaye property. See “*Risks Factors*” below for additional information, risks and uncertainties associated with Spinco, its business and operations, and the Spinco Shares. In addition, see in the Information Circular, “*The Arrangement — Risks Associated with the Arrangement*”.

Effect of Inflation and Specific Price Changes on Revenues and on Loss

Not applicable.

Unusual or Infrequent Events or Transactions

Other than the Arrangement, Spinco has not engaged in any unusual events or transactions in the period from incorporation on October 19, 2020 to April 30, 2021.

Summary of Quarterly Results

Spinco was incorporated on October 19, 2020 and has not yet completed a financial year, therefore no quarterly results are available.

Liquidity and Capital Resources

To date, Spinco's operations have been funded by CME, its sole shareholder. As at April 30, 2021, Spinco had share capital of \$1 and working capital of \$(14,021).

Spinco has no source of revenue, income or cash flow. As of the date of this MD&A, Spinco is wholly dependent upon its sole shareholder, CME, for advance of funds. Spinco also needs to have adequate working capital for CSE listing purposes, being sufficient funds: (i) for exploration of the Lac La Chesnaye property and (ii) to cover a minimum 12 months of general and administrative expenses, which are estimated to be \$150,000 for the first 12 months of operations following completion of the Arrangement and the proposed listing of the Spinco Shares on the CSE. Upon completion of the Arrangement, it is anticipated that Spinco will have available funds of approximately \$460,000 assuming aggregate gross proceeds of \$500,000 under the Spinco Financing or approximately \$1,380,000 assuming aggregate gross proceeds of \$1,500,000 under the Spinco Financing, which management estimates to be sufficient for all of Spinco's needs in the first 12 months following listing of the Spinco Shares on the CSE. See in this Schedule "F", "*Description of the Business - Available Fund and Principal Uses*", "*Management's Discussion and Analysis-Result of Operations - Commitments, Events, Risks or Uncertainties*" and "*Risk Factors*".

Off-Balance Sheet Arrangements

Spinco does not have any off-balance sheet arrangements.

Related Party Transactions

Spinco is a party to the Arrangement Agreement and an asset purchase agreement pursuant to which it will acquire the Spinout Assets and assume the Spinout Liabilities. See in this Schedule "F", "*Description of the Business*" and "*Interests of Management and Other in Material Transactions*").

As at the date of the Circular, Spinco is a wholly-owned subsidiary of CME.

Proposed Transactions

Spinco will apply to the list Spinco Shares on the CSE. Upon completion of the Arrangement and satisfaction of all of the outstanding listing requirements of the CSE, management of Spinco anticipates Spinco will be a publicly traded junior mineral exploration company, with an exploration property in Canada, as well as an experienced board of directors and management team and, in the view of its management, capitalization sufficient to achieve its business objectives in the near term.

In order to become effective, the Arrangement must be approved by a special resolution passed by at least a two-thirds majority of the votes cast by Shareholders at the Meeting and present in person or by proxy. Completion of the Arrangement is also subject to receipt of certain required regulatory approvals, including the approval of the CSE and the Court, and other customary closing conditions, all of which are described in more detail in the Information Circular. See in the Circular, "*The Arrangement*".

Other than the Arrangement and the transactions proposed to be completed prior thereto, as at the date of this MD&A, Spinco has no proposed asset or business acquisitions or dispositions.

Changes in Accounting Policies

Not applicable.

Financial Instruments and Other Instruments

See Note 3 to the Spinco Financial Statements for the period from incorporation on October 19, 2020 to April 30, 2021, which are attached as Schedule "H" to this Information Circular.

Additional Disclosure for Issuers without Significant Revenue

Breakdown of Material Components

For information relating to capitalized or expensed exploration and development costs, expensed research and development costs, deferred development costs, general and administration expenses and any other material costs, please see the Carve-Out Financial Statements included as Schedule “G” to this Information Circular and the Spinco Financial Statements included as Schedule “H” to this Information Circular.

Negative Cash-Flow

Spinco was incorporated on October 19, 2020 and has not yet completed a financial year, therefore this item is not applicable.

Additional disclosure for Issuers with Significant Equity Investees

Not applicable.

DESCRIPTION OF SECURITIES

The authorized share capital of Spinco consists of an unlimited number of each of the following classes of shares: Class A Common shares, Class B Common shares, Class C Common shares, Class A Special shares, Class B Special shares, Class C Special shares and Class D Special shares.

Class A Common shares (Spinco Shares)

Holders of the Spinco shall be entitled to receive notice of, attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares (other than the Spinco Shares) are entitled to vote. Each Spinco Share shall entitle its holder to one (1) vote. Subject to the prior rights of the holders of the Class A Special, Class B Special, Class C Special and Class D Special shares, the holders of the Spinco Shares, the Class B Common and Class C Common shares shall be entitled to receive the remaining property of Spinco upon dissolution, on a *pari passu* basis.

As of the date of the Information Circular, there are 100 issued and outstanding Spinco Shares.

Class B Common shares

The Class B Common shares rank *pari passu* in all respects with the Spinco Shares, save and except that subject to the provisions of the CBCA, the holders of the Class B Common shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

As of the date of the Information Circular, there are nil issued and outstanding Class B Common shares.

Class C Common shares

The Class C Common shares rank *pari passu* in all respects with the Spinco Shares and Class B Common shares, save and except that: (a) subject to the provisions of the CBCA, the holders of the Class C Common shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders; and (b) the directors shall not be obliged to declare dividends on the Class C Common shares when declaring dividends on the Spinco Shares and Class B Common shares.

As of the date of the Information Circular, there are nil issued and outstanding Class C Common shares.

Class A Special shares

The holders of the Class A Special shares shall be entitled to receive notice of, attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares (other than the Class A Special shares) are entitled to vote. Each Class A Special share shall entitle its holder to one (1) vote.

Save and except for such dividends or distributions as are expressly contemplated in the articles of Spinco in respect of the Class A Special shares, the holders of the Class A Special shares shall not be entitled to further participation in any earnings or profits of Spinco or in the value of its assets. Annual, non-cumulative dividends may be declared by the directors on the Class A Special shares provided that the aggregate amount thereof shall not be greater than 8% of the aggregate redemption value of all issued and outstanding Class A Special shares, and further provided that such dividends shall only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class A Special shares shall not be entitled to any dividends other than or in excess of the above dividends.

Spinco may redeem any Class A Special share issued by it at a price equal to the redemption value thereof. At the time of payment of such redemption price, Spinco shall pay to the holder of said share the amount of any dividend declared thereon and unpaid. Upon dissolution of Spinco, the holders of the Class A Special shares shall be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of the Spinco Shares, the Class B Common shares and the Class C Common shares.

As of the date of the Information Circular, there are nil issued and outstanding Class A Special shares.

Class B Special shares

Subject to the provisions of the CBCA, the holders of the Class B Special shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Save and except for such dividends or distributions as are expressly contemplated by the articles of Spinco in respect of the Class B Special shares, the holders of the Class B Special shares shall not be entitled to further participation in any earnings or profits of Spinco or in the value of its assets. Annual, non-cumulative dividends may be declared by the directors on the Class B Special shares provided that the aggregate amount thereof shall not be greater than 10% of the aggregate redemption value of all issued and outstanding Class B Special shares, and further provided that such dividends shall only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class B Special shares shall not be entitled to any dividends other than or in excess of the above dividends.

Spinco may redeem any Class B Special share issued by it at a price equal to the redemption value thereof. At the time of payment of such redemption price, Spinco shall pay to the holder of said share the amount of any dividend declared thereon and unpaid. Upon dissolution of Spinco, the holders of the Class B Special shares shall be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of the Spinco Shares, the Class B Common shares, the Class C Common shares and the Class A Special shares.

As of the date of the Information Circular, there are nil issued and outstanding Class B Special shares.

Class C Special shares

Subject to the provisions of the CBCA, the holders of the Class C Special shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Save and except for such dividends or distributions as are expressly contemplated in the articles of Spinco in respect of the Class C Special shares, the holders of the Class C Special shares shall not be entitled to further participation in any earnings or profits of Spinco or in the value of its assets. Annual, non-cumulative dividends may be declared by the directors on the Class C Special shares provided that the aggregate amount thereof shall not be greater than 9% of the aggregate redemption value of all issued and outstanding Class C Special shares, and further provided that such

dividends shall only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class C Special shares shall not be entitled to any dividends other than or in excess of the above dividends.

Spinco may, and upon the demand of any holder thereof shall, redeem any Class C Special share issued by it at a price equal to the amount of the redemption value thereof. At the time of payment of such redemption price, Spinco shall pay to the holder of said share the amount of any dividend declared thereon and unpaid. Upon dissolution of Spinco, the holders of the Class C Special shares shall be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of the Spinco Shares, the Class B Common shares, the Class C Common shares, the Class A Special shares and the Class B Special shares.

As of the date of the Information Circular, there are nil issued and outstanding Class C Special shares.

Class D Special shares

Subject to the provisions of the CBCA, the holders of Class D Special shares shall not, as such, have any right to receive notice of, attend or vote at meetings of shareholders.

Save and except for such dividends or distributions as are expressly contemplated in the articles Spinco in respect of the Class D Special shares, the holders of the Class D Special shares shall not be entitled to further participation in any earnings or profits of Spinco or in the value of its assets. Monthly, non-cumulative dividends may be declared by the directors on the Class D Special shares provided that the aggregate amount thereof shall not be greater than 1% of the aggregate redemption value of all issued and outstanding Class D Special shares, and further provided that such dividends shall only be payable if, as and when declared and at such times and in such manner as the directors may determine in their discretion. The holders of the Class D Special shares shall not be entitled to any dividends other than or in excess of the above dividends.

Spinco may, and upon the demand of any holder thereof shall, redeem any Class D Special share issued by it at a price per share equal to the redemption value thereof. At the time of payment of such redemption price, Spinco shall pay to the holder of said share the amount of any dividend declared thereon and unpaid. Upon dissolution of Spinco, the holders of the Class D Special shares shall be entitled to receive an amount per share equal to the redemption value thereof, together with any dividends declared thereon and unpaid, and no more, the whole in priority to the distribution of any property to the holders of any other class of shares.

As of the date of the Information Circular, there are nil issued and outstanding Class D Special shares.

CONSOLIDATED CAPITALIZATION

The following table sets out the capitalization of Spinco. This table should be read in conjunction with the financial statements of Spinco for the period from incorporation on October 19, 2020 to April 30, 2021, which are attached to this Information Circular as Schedule "H":

Designation of Security	Amount Authorized	Amount Outstanding as of April 30, 2021	Amount Outstanding as of the date of this Information Circular	Amount Outstanding assuming completion of the Arrangement and gross proceeds of \$500,000 under the Spinco Financing	Amount Outstanding assuming completion of the Arrangement and gross proceeds of \$1,500,000 under the Spinco Financing
Class A Common shares	Unlimited	100	100	9,300,000	19,300,000
Class A Common share purchase warrants	N/A	Nil	Nil	2,500,000	7,500,000

MARKET FOR SECURITIES

An application will be made for the listing of the Spinco Shares on the CSE. Listing will be subject to Spinco fulfilling all the initial listing requirements of the CSE. There can be no assurances as to if, or when, the Spinco Shares will be listed or traded on the CSE, or any other stock exchange.

As at the date of the Information Circular, there is no market through which the Spinco Shares to be distributed pursuant to the Arrangement may be sold and Shareholders may not be able to resell the Spinco Shares to be distributed to them pursuant to the Arrangement. This may affect the pricing of the Spinco Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Spinco Shares, and the extent of issuer regulation.

As at the date of the Information Circular, Spinco does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the TSX, the CSE, a U.S. marketplace, or a marketplace outside Canada and the United States of America.

PRIOR SALES

On April 30, 2021, Spinco issued 100 Spinco Shares to CME.

On the Effective Date, it is expected that the 100 Spinco Shares currently held by CME will be cancelled and 4,300,000 Spinco Shares will be issued to Shareholders assuming completion of the Arrangement pursuant to its terms.

LISTING OF SPINCO SHARES

An application will be made for the listing of the Spinco Shares on the CSE. Listing will be subject to Spinco fulfilling all the initial listing requirements of the CSE. There can be no assurances as to if, or when, the Spinco Shares will be listed or traded on the CSE, or any other stock exchange.

As at the date of the Information Circular, there is no market through which the Spinco Shares to be distributed pursuant to the Arrangement may be sold and Shareholders may not be able to resell the Spinco Shares to be distributed to them pursuant to the Arrangement. This may affect the pricing of the Spinco Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Spinco Shares, and the extent of issuer regulation.

As at the date of the Information Circular, Spinco does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the TSX, the CSE, a U.S. marketplace, or a marketplace outside Canada and the United States of America.

OPTIONS TO PURCHASE SECURITIES

The Spinco Board, with the approval of Spinco shareholders, have adopted an incentive stock option plan (the “**Spinco Plan**”), which will be implemented upon acceptance by: (i) the Shareholders at the Meeting and (ii) the CSE in conjunction with the proposed listing of the Spinco Shares on the CSE. The Spinco Plan is a rolling stock option plan that sets the number of Spinco Shares issuable under the Spinco Plan at a maximum of 10% of the Spinco Shares issued and outstanding at the time of any grant under the Spinco Plan. As of the date of this Information Circular, Spinco has not granted any incentive stock options under the Spinco Plan, or otherwise, nor has it issued any other rights or securities to purchase Spinco Shares.

The Spinco Board does not intend to grant any incentive stock options until such time following listing of the Spinco Shares on the CSE that the trading price of the Spinco Shares on the CSE has stabilized, such that a fair market value exercise price for options can be determined.

For more information on the Spinco Option Plan, see in the Information Circular, “*Particulars of Matters to be Acted Upon - Approval of Stock Option Plan of QNB Metals Inc.*”.

PRINCIPAL SHAREHOLDERS

As of the date of the Information Circular, CME holds 100% of the issued and outstanding Spinco Shares. Assuming completion of the Arrangement and to the knowledge of Spinco's directors and officers, before giving effect to the Spinco Financing, except as set out below, no person will beneficially own, directly or indirectly, or exercises control or direction over 10% or more of the outstanding Spinco Shares (either on an undiluted or fully diluted basis):

Name of Principal Shareholder	Number of Shares	Method of Ownership (Record and/or Beneficially)	Percentages of Shares ⁽¹⁾
Beat Frei	455,324	Record	10.59%

Notes:

- (1) Based on a total of 4,300,000 issued and outstanding Spinco Shares, on a non-diluted basis.
- (2) Includes: (i) 200,148 Spinco Shares held by Beat Frei and (ii) 255,176 Spinco Shares held by Comfortra GmbH, a company controlled by Mr. Frei.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

As at the date of the Information Circular, the directors of Spinco are Michel Gagnon, Stephane Leblanc and Maxime Lemieux. Stephane Leblanc is also the President, CEO and Executive Chairman of Spinco. A CFO and a Secretary of Spinco will be appointed on or before the completion of the Arrangement

The following table sets out the names of the directors and executive officers of Spinco upon the completion of the Arrangement, the province or state and country in which each is ordinarily resident, all offices of Spinco to be held by each of them, if any, their principal occupations or employments during the past five years, and the number of Spinco Shares which will be beneficially owned by each, directly or indirectly, or over which control or direction is exercised, upon completion of the Arrangement:

Name, Position & Municipality of Residence	Present Occupation & Positions Held During the Last Five Years	Date of Appointment as Director or Officer of Spinco	Number and Percentage of Spinco Shares Beneficially Held ⁽¹⁾⁽²⁾
Stephane Leblanc ⁽⁵⁾ President and CEO and Chairman of the Board Montréal, Québec	President and CEO of Canadian Metals Inc.	Proposed President and CEO and Chairman of the Board	168,990 ⁽³⁾ 3.93%
Michel Gagnon ⁽⁵⁾ Director Wentworth, Québec	Chairman and CEO of Alliance Magnesium Inc.	Proposed Director	58,050 ⁽⁴⁾ 1.35%
Maxime Lemieux ⁽⁵⁾ Director Montréal, Québec	Counsel of McMillan LLP	Proposed Director	15,050 0.35%

Notes:

- (1) Based on a total of 4,300,000 issued and outstanding Spinco Shares, on a non-diluted basis.
- (2) Assuming the completion of proposed concurrent acquisition.
- (3) Of those, 34,423 shares will be registered under the name of Stephane Leblanc, 132,674 registered under 9248,7792 Québec Inc, an entity owned and controlled by Stephane Leblanc and 1,893 registered under the name of Patricia Lafontaine, the spouse of Stephane Leblanc.
- (4) Of those, 26,947 shares will be registered under the name of Michel Gagnon and 31,103 shares will be registered under Vega Capital Inc., an entity owned and controlled by Michel Gagnon.
- (5) Member of the Audit Committee.

Director Biographies

Stephane Leblanc – President and CEO and Chairman of the Board

Mr. Leblanc is an entrepreneur with over 16 years of experience. He has been involved in all aspects of business from sales and marketing, public relations, communications, and corporate finance; and has specific experience in strategic advisory services, mergers and acquisitions, raising private capital, savings (Initial Public Offerings and RTO), listing on the Toronto Stock Exchange, Canadian Stock Exchange, OTC and other international exchanges.

Mr. Leblanc has participated in the success of many small-cap companies as VP of business under his personal holding company. Mr. Leblanc is an entrepreneur at heart, and is involved in many other projects, including the “Québec Mineral Properties”, a mining claims management company that owns more than 6000 claims within the province of Québec, South America and Africa. Mr. Leblanc also collaborated with several companies: Pershimco Resources, Focus Graphite, Adventure Gold, Glen Eagle Resources, Vision Lithium, Puma Exploration, Knick Exploration, Active Growth Capital and several other companies for the sale of properties.

Michel Gagnon – Director

Mr. Gagnon is Chairman of the Board and CEO of Alliance Magnesium Inc. since November 2017. Alliance is a privately-owned Canadian company who has developed technology to process magnesium contained in serpentine rock. Alliance plans to invest a total of \$600 million to build a full-scale magnesium metal production plant with a production capacity of 50,000 tons/year. The project calls for the commissioning of a pre-commercial plant of 11 700 million tonnes and a full commercial-sized plant of 50 000 million tonnes. Previously, Mr. Gagnon was the Vice-President Finance and Business Development as well as Corporate Secretary of Aluminerie Alouette, the largest smelter in the Americas. A Business Graduate from the University of Québec in Montréal, Mr. Gagnon is also a member of the Institute of Corporate Directors and serves on several boards. Mr. Gagnon was awarded CFO of the year in 2012 by the Financial Executive Institute for the private enterprise in Québec.

Maxime Lemieux – Director

Mr. Lemieux, counsel in the National Capital Markets and M&A Group at McMillan LLP, has 15 years of experience in securities law. His practice is focused on securities, corporate finance, and mergers and acquisitions matters. Representing both issuers and investment dealers, Mr. Lemieux has experience in private and public debt and equity offerings. He has also acted as lead counsel in a number of private and public merger and acquisition transactions and corporate reorganization, as well as a variety of negotiated transactions, including reverse take-over, exempt take-over bids and proxy contests. He also sits on the board of several public companies. Admitted to the Québec Bar in 2006, Mr. Lemieux also has an MBA.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No proposed director of Spinco is, as at the date of the Information Circular, or has been, within the last 10 years before the date of the Information Circular, a director, or executive officer of any company that was:

- (a) subject to 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, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) subject to 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, 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 of Spinco is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director or executive officer of any company that:

- (a) while that person was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) became 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.

No proposed director of Spinco has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security's regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Conflicts of interest

Conflicts of interest may arise as a result of the directors and officers of Spinco also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Spinco have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of Spinco will be in direct competition with the Spinco. Conflicts, if any, will be subject to the procedures and remedies provided under the CBCA.

DIRECTOR AND EXECUTIVE COMPENSATION

Executive Compensation

Spinco was incorporated on October 19, 2020 and, accordingly, has not yet completed a financial year or developed a compensation program. Upon completion of the Arrangement, it is anticipated that Spinco will establish a Compensation Committee, which is expected to recommend the granting of stock options in such amounts and upon such terms as may be recommended by the Compensation Committee and approved by the board of directors of Spinco from time to time.

The Compensation Committee will also consider and make recommendations with respect to the compensation of the executive officers of Spinco. It is anticipated that all executive officers of Spinco will receive cash compensation and stock option grants in line with market practice for public issuers in the same industry and market and of the same size as Spinco.

Director Compensation

Upon completion of the Arrangement, it is anticipated that Spinco will pay cash compensation to its directors in amounts paid to directors of comparable publicly traded Canadian companies for services rendered in their capacity as directors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of Spinco, a proposed nominee for election as a director of Spinco, and each associate of any such director, executive officer or proposed nominee: (a) is, or at any time since the beginning of the most recently completed financial year of Spinco has been indebted to Spinco or any of its subsidiaries or (b) has indebtedness to another entity

that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Spinco or any of its subsidiaries.

AUDIT COMMITTEE

The purpose of the audit committee of Spinco (the “**Spinco Audit Committee**”) is to assist the board of directors of Spinco in fulfilling its oversight responsibilities by reviewing the financial information, which will be provided to the Spinco Shareholders and the public, the systems of corporate controls, which management and the board of directors of Spinco have established, and overseeing the audit process. It has general responsibility to oversee internal controls, accounting and auditing activities and legal compliance of Spinco.

Composition of the Spinco Audit Committee

The Spinco Audit Committee is comprised of the following members:

Member	Independent/Not Independent ⁽¹⁾	Financially Literate/ Not Financially Literate ⁽²⁾	Relevant Education and Experience
Stéphane Leblanc	Not Independent	Financially Literate	Has audit committee experience
Michel Gagnon	Independent	Financially Literate	Has audit committee experience.
Maxime Lemieux	Independent	Financially Literate	Has audit committee experience.

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the company that could, in the view of the board of directors, reasonably interfere with the exercise of a member’s independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the corporation’s financial statements.

Michel Gagnon and Maxime Lemieux are independent and Stéphane Leblanc is considered not to be independent. Each member of the Spinco Audit Committee is considered to be financially literate, as defined by National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by Spinco’s financial statements. Michel Gagnon is the Chairman of the Spinco Audit Committee.

Relevant Education and Experience

All three Spinco Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Spinco’s financial statements and are therefore considered “financially literate”. See “*Directors and Executive Officers – Director Biographies*”.

The Audit Committee’s Charter

The full text of Spinco’s Audit Committee Charters is set out below:

1. Mandate

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of QNB Metals Inc. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing (1) the financial statements, reports and other financially-based information provided to shareholders, regulators and others; (2) the internal controls that management and the Board have established; and (3) the audit, accounting and financial reporting processes generally.

In meeting these responsibilities, the Committee will:

- d) monitor the financial reporting process and internal control system;
- e) review and appraise the work of the external auditors; and
- f) provide an open avenue of communication between the external auditors, senior management and the Board.

The external auditors are accountable to the shareholders through the Committee. The Committee is responsible for ensuring that the external auditors comply with the requirements stipulated in this Charter and satisfying itself of the external auditors' independence.

2. Composition

The Committee shall be composed of a minimum of three directors of the Company, a majority of whom are independent. An independent director, as defined in National Instrument 52-110 – Audit Committees (“NI 52- 110”) is a director who has no direct or indirect material relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a members independent judgment or as otherwise determined to be independent in accordance with NI 52-110.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Committee’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience. The chairperson of the Committee (the “**Chairperson**”) shall be appointed by the Board for a one-year term and may serve any number of consecutive terms.

3. Meetings

The Committee shall try to meet at least four times per year and may call special meetings as required. A quorum at meetings of the Committee shall be its Chairperson and one of its other members or the Chairman of the Board. The Committee may hold its meetings, and members of the Committee may attend meetings, by telephone conference if this is deemed appropriate.

The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Committee. The Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

4. Responsibilities and Duties

Audit Committee

To fulfill its responsibilities and duties, the Committee shall:

- (j) Review this Charter annually, and update if necessary.
- (k) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (l) Where the Committee deems it necessary, obtain a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company.

- (m) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (n) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (o) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (p) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (q) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (r) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent (5%) of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Chairperson

The fundamental responsibility of the Chairperson is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Chairperson's responsibilities shall include:

- (f) working with the Chairman of the Board, the Chief Executive Officer and the Secretary to establish the frequency of Committee meetings and the agendas for meetings;
- (g) providing leadership to the Committee and presiding over Committee meetings;
- (h) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- (i) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- (j) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

5. Financial Reporting Processes

- (p) Review, discuss and recommend to the Board for approval, the annual audited financial statements and related "management's discussion and analysis" prior to delivery to shareholders, and where applicable, filing with securities regulatory authorities.

- (q) Review and discuss with the external auditors the results of their reviews and audit, any issues arising and management's response, including any restrictions on the scope of the external auditors' activities or requested information and any significant disagreements with management, and resolving any disputes.
- (r) Review, discuss, approve, or recommend to the Board for approval, the quarterly financial statements and quarterly "management's discussion and analysis" prior to delivery to shareholders, and where applicable, filing with securities regulatory authorities.
- (s) Review and discuss with management and the external auditors the Company's critical accounting policies and practices, material alternative accounting treatments, significant accounting and reporting judgments, material written communications between the external auditor and management (including management representation letters and any schedule of unadjusted differences) and significant adjustments resulting from the audit or review.
- (t) Where applicable, review and discuss with management the Company's earnings press releases, and such other relevant public disclosures containing financial information as the Committee may consider necessary or appropriate.
- (u) Where applicable, review and discuss with management the disclosure controls relating to the Company's public disclosure of financial information, including information extracted or derived from the financial statements, and periodically assess the adequacy of such procedures.
- (v) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (w) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (x) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (y) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (z) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (aa) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (bb) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (cc) Review the certification process.
- (dd) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

6. Other

Review any related-party transactions.

Audit Committee Oversight

The Spinco Audit Committee has made recommendations to the Board to nominate MNP LLP as auditor of Spinco. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by Spinco's directors and, where applicable, the Spinco Audit Committee, on a case-by-case basis. Since incorporation, the board of directors of Spinco has not failed to adopt a recommendation of the Spinco Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, Spinco has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4) to 6.1.1(6) relate to the composition of the audit committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Spinco Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the board of Spinco, and where applicable the Spinco Audit Committee, on a case-by-case basis.

External Auditor Service Fees

Management has reviewed the nature and amount of the audit services provided by the auditor to ensure auditor independence. The aggregate fees billed by Spinco's external auditor since incorporation were as follows:

Time Period	Audit Fees (\$) ⁽¹⁾	Audit Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$)
From October 19, 2020 (date of incorporation) to April 30, 2021	\$10,700	Nil	Nil	Nil

Notes:

- (1) "Audit fees" include aggregate fees billed by Spinco's external auditor since incorporation of Spinco.
- (2) "Audited related fees" include the aggregate fees billed since incorporation of Spinco for assurance and related services by Spinco's external auditor that are reasonably related to the performance of the audit or review of Spinco's financial statements and are not reported under "Audit fees" above.
- (3) "Tax fees" include the aggregate fees billed since incorporation of Spinco for professional services rendered by Spinco's external auditor for tax compliance, tax advice and tax planning.
- (4) "All other fees" include the aggregate fees billed since incorporation of Spinco for products and services provided by Spinco's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption

Spinco is relying on the exemption provided by section 6.1 of NI 52-110 which provides that Spinco, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

ESCROWED SECURITIES

Spinco does not have any of its securities subject to escrow or contractual restrictions on transfer. However, on completion of the Arrangement, the principals of Spinco are expected to be subject to escrow pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* ("NP 46-201"). The CSE imposes NP 46-201 escrow requirements on completion of transactions such as the Arrangement.

In accordance with NP 46-201, all securities of an issuer that are owned or controlled by its principals (or spouses of its principals) will be escrowed at the time of the issuer's initial public offering, or in this case the completion of the Arrangement, unless the securities held by the principals, or issuable to the principals upon conversion of convertible securities held by the principals, collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the offering or transaction.

Uniform terms of automatic timed-release escrow apply to principals of exchange-listed issuers, differing only according to the classification of the issuer. As it is expected that Spinco will be classified as an "emerging issuer" for the purposes of NP 46-201, it is anticipated that the following automatic timed releases will apply to the securities held by its principals:

Date	% of Escrowed Securities Released
The Listing Date	1/10 of the escrow securities
On the date 6 months following the Listing Date	1/6 of the remaining escrow securities
On the date 12 months following the Listing Date	1/5 of the remaining escrow securities
On the date 18 months following the Listing Date	1/4 of the remaining escrow securities
On the date 24 months following the Listing Date	1/3 of the remaining escrow securities
On the date 30 months following the Listing Date	1/2 of the remaining escrow securities
On the date 36 months following the Listing Date	The remaining escrow securities

To the knowledge of Spinco, assuming completion of the Arrangement, a total of 262,090 Spinco Shares will be deposited into escrow pursuant to the terms of an escrow agreement to be entered into by Spinco, the escrow shareholders and Spinco's transfer agent, as the escrow agent (the "**Escrow Agreement**"), assuming that none of the escrow holders listed below participate in the Spinco Financing.

Name and Position of Spinco Shareholder	Number of Escrowed Securities	Percentage of Class
Stephane Leblanc	168,990 ⁽²⁾	3.93%
Michel Gagnon	58,050 ⁽³⁾	1.35%
Maxime Lemieux	15,050	0.35%

Notes:

- (1) Based on 4,300,000 Spinco Shares issued and outstanding.
- (2) Of those, 34,423 shares will be registered under the name of Stephane Leblanc, 132,674 registered under 9248,7792 Québec Inc, an entity owned and controlled by Stephane Leblanc and 1,893 registered under the name of Patricia Lafontaine, the spouse of Stephane Leblanc.
- (3) Of those, 26,947 shares will be registered under the name of Michel Gagnon and 31,103 shares will be registered under Vega Capital Inc., an entity owned and controlled by Michel Gagnon.

Pursuant to the terms of the Escrow Agreement, the Spinco Shares held in escrow may be transferred within escrow to an individual who is a director or senior officer of Spinco or of a material operating subsidiary of Spinco, subject to the approval of the board of directors of Spinco, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to Spinco's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to Spinco's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of Spinco or of any of its material operating subsidiaries.

Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

The Escrow Agreement also provides that escrowed securities can be transferred within escrow to a financial institution on the realization of escrowed securities pledged, mortgaged or charged by the holder of such escrowed securities to the financial institution as collateral for a loan. Pursuant to the terms of the Escrow Agreement, escrowed securities may also be transferred within escrow to or between registered retirement savings plans, registered retirement income funds or other similar registered plans or funds with a trustee, where the annuitant of such plans or funds, or the beneficiaries of the other registered plan or funds are limited to the holder and his or her spouse, children and parents, or in the case of a trustee of such a registered plan or fund, to the annuitant of the registered plan or fund, or a beneficiary of the registered plan or fund, as applicable, or his or her spouse, children and parents.

Pursuant to the terms of the Escrow Agreement, 10% of each principal's escrowed securities (a total of 24,209 Spinco Shares) will be released from escrow on the date the Spinco Shares are listed on the CSE (the "**Listing Date**"). The remaining 217,881 Spinco Shares which will be held in escrow immediately following the Listing Date will represent 2.34% of the Spinco Shares anticipated to be issued and outstanding at the Listing Date assuming the issuance of 5,000,000 Spinco Shares under the Spinco Financing or 1.13% of the Spinco Shares anticipated to be issued and outstanding at the Listing Date assuming the issuance of 15,000,000 Spinco Shares under the Spinco Financing.

RISK FACTORS

An investment in Spinco Shares, as well as Spinco's prospects, are highly speculative due to the high-risk nature of its business and the present stage of its development. Shareholders of Spinco may lose their entire investment. The risks described below are not the only ones facing Spinco. Additional risks not currently known to Spinco, or that Spinco currently deems immaterial, may also impair Spinco's operations. If any of the following risks actually occur, Spinco's business, financial condition and operating results could be adversely affected.

Shareholders should consult with their professional advisors to assess the Arrangement and their resulting investment in Spinco. In evaluating Spinco and its business and whether to vote in favour of the Arrangement, Shareholders should carefully consider, in addition to the other information contained in the Information Circular and the risk factors which follow, as well as the risks associated. See also "*Risks Factors*" set out in the Information Circular.

Listing of Spinco Shares

The Spinco Shares are not currently listed on any stock exchange. Although an application will be made to list the Spinco Shares on the CSE, there is no assurance when, or if, the Spinco Shares will be listed on the CSE or on any other stock exchange. Until the Spinco Shares are listed on a stock exchange, shareholders of Spinco may not be able to sell their Spinco Shares. Even if a listing is obtained, ownership of Spinco Shares will involve a high degree of risk.

Qualification under the Tax Act for a Registered Plan

If the Spinco Shares are not listed on a designated stock exchange in Canada before the due date for Spinco's first income tax return or if Spinco does not otherwise satisfy the conditions in the Tax Act to be a "public corporation", the Spinco Shares will not be considered to be a qualified investment for a Registered Plan (as defined in the *Tax Act*) from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Business History

Spinco has a short history of operations and has no history of earnings. The likelihood of success of Spinco must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Spinco has limited financial resources and there is no assurance that funding over and above the gross proceeds of the Spinco Financing will be available to it when needed. In addition, the closing of the Arrangement is not conditional upon the completion of the Spinco Financing. There is also no assurance that Spinco can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Public Health Crisis

Spinco's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020, the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. Over the past several months, there were a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has also caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary and a number of jurisdictions, including in Canada and the United States, have started to lift certain COVID-19 related restrictions, the duration of the various disruptions to businesses locally and internationally and related financial impact cannot be reasonably estimated at this time.

Public health crises such as COVID-19 can result in volatility and disruptions in the supply and demand for gold, silver and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to Spinco of such public health crises also include the risk that there may be a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

While the impact of the COVID-19 pandemic is not expected to last indefinitely, the circumstances relating to the pandemic are dynamic and its impacts on Spinco's business operations cannot be reasonably estimated at this time. However, it is not expected that the COVID-19 pandemic will have a material adverse impact on Spinco's business, results of operations, financial position and cash flows going forward, particularly seeing as the government has decreed that mining is an essential service.

Unknown Environmental Risks for Past Activities

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at the Spinco mineral properties do not exist.

Sale of Spinco Shares by CME as Funding for its Canadian Withholding Tax Obligations

If CME determines that a deemed dividend will arise as a consequence of the Arrangement, CME will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Shareholder that is not resident in Canada for Canadian tax purposes (including the Spinco Shares) such amounts as CME is required, entitled or permitted to deduct and withhold under the *Tax Act*. To the extent that CME is required to deduct and withhold from consideration that is not cash, including the Spinco Shares, CME is entitled to liquidate such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations. Any such sales may negatively impact the trading price of the Spinco Shares where such shares are listed.

Acquisitions and Joint Ventures

Spinco will evaluate from time to time opportunities to acquire and joint venture mining assets and businesses. These acquisitions and joint ventures may be significant in size, may change the scale of Spinco's business and may expose it to new geographic, political, operating, financial and geological risks. Spinco's success in its acquisition and joint venture activities will depend on its ability to identify suitable acquisition and joint venture candidates and partners, acquire or joint venture them on acceptable terms and integrate their operations successfully with those of Spinco. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Spinco's ongoing business; the inability of management to maximize the financial and strategic position of Spinco through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of Spinco's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that Spinco would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

Additional Financing and Dilution

Spinco plans to focus on exploring for minerals and will use its working capital to carry out such exploration. However, Spinco will require additional funds to further such activities. To obtain such funds, Spinco may sell additional securities including, but not limited to, Spinco Shares or some form of convertible security, the effect of which would result in a substantial dilution of the equity interests of Spinco's shareholders.

Spinco has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. Spinco provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Lac La Chesnaye property with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. Spinco provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of the Lac La Chesnaye property.

No Mineral Resources

The Lac La Chesnaye property in the exploration stage and sufficient work has not been done to define a mineral resource or mineral reserve. There is no assurance given by Spinco that continuing work on the Lac La Chesnaye property will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource or a mineral reserve.

No History of Mineral Production or Mining Operations

Spinco has never had a producing property. There is no assurance that commercial quantities of gold or other minerals will be discovered nor is there any assurance that Spinco's exploration program will yield positive results. Even if commercial quantities of gold or ore are discovered, there can be no assurance that any property, including the Lac La Chesnaye property, will ever be brought to a stage where mineral resources can profitably be produced therefrom. Factors which may limit the ability to produce mineral resources include, but are not limited to, the price of gold and other minerals, availability of additional capital and financing and the nature of any mineral deposits. Spinco does not have a history of mining operations that would guarantee it will produce revenue, operate profitably or provide a return on investment in the future. Spinco has not paid dividends in the past and Spinco does not have any plans to pay dividends in the foreseeable future.

Economics of Developing Mineral Properties

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines.

Should any mineral resources and reserves exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) mineral prices; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) political climate and/or governmental regulation and control.

Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow. The ability to sell, and profit from the sale of any eventual mineral

production from any property will be subject to the prevailing conditions in the minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end users' demand for mineral products. Many of these factors are beyond the control of a mining company and therefore represent a market risk which could impact the long term viability of Spinco and its operations.

Factors Beyond Spinco's Control

The potential profitability of mineral properties is dependent upon many factors beyond Spinco's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways Spinco cannot predict and are beyond Spinco's control, and such fluctuations will impact on profitability and may eliminate profitability altogether.

Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Spinco. The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same.

There can be no assurance that metal prices will be such that the Lac La Chesnaye property can be mined at a profit. Factors beyond the control of Spinco may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, international investment patterns, national fiscal policies, monetary systems, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, Spinco's principal exploration targets, gold and other minerals, is affected by various factors, including political events, economic conditions and production costs. The price of gold, silver and other metals has fluctuated widely in recent years. Future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Spinco's business, financial condition and result of operations. Moreover, the ability of Spinco to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious and other metals. The effect of these factors, individually or in the aggregate, is impossible to predict with accuracy.

Access to Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Spinco's operations, financial condition and results of operations.

Dependence on the Lac La Chesnaye Property

At the Effective Date, Spinco's only material mineral property will be the Lac La Chesnaye property. Unless Spinco acquires or develops additional material properties or projects, Spinco will be solely dependent upon the operation of the Lac La Chesnaye property for its revenue and profits, if any. If Spinco loses or abandons its interest in the Lac La Chesnaye property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the CSE. There is also no guarantee that the CSE will approve the acquisition of any additional properties by Spinco, whether by way of option or otherwise, should Spinco wish to acquire any additional properties.

Regulatory Requirements

The current or future operations of Spinco, including development activities and possible commencement of production on its properties, requires permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. Spinco will require licenses and permits from various governmental and non-governmental authorities for its operations. Spinco has obtained, or plans to obtain all necessary licenses and permits required carrying on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that all permits which Spinco may require for the development and construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which Spinco might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments or changes to current laws, regulations government policies and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Spinco and cause increases in costs or require abandonment or delays in the development of new mining properties.

Insurance

Spinco's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, Spinco's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive necessary regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. Spinco may be subject to liability or sustain loss for certain risks and hazards against which they do not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to Spinco.

Current Global Financial Condition

Spinco will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Current financial and economic conditions globally have been subject to increased uncertainties. Access to financing has been negatively affected by these economic uncertainties. These factors may affect the ability of Spinco to obtain equity and/or debt financing in the future and, if obtained, influence the terms available to Spinco. If these increased levels of volatility and market turmoil continue, Spinco may not be able to secure appropriate debt or equity financing. If additional capital is raised by the issuance of shares from the treasury of Spinco, shareholders may suffer dilution. Future borrowings by Spinco or its subsidiaries may increase the level of financial and interest rate risk to Spinco as Spinco will be required to service future indebtedness.

Environmental Risks and Hazards

All phases of Spinco's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and

a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Spinco's operations. Environmental hazards may exist on the properties which are unknown to Spinco at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Spinco is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Spinco will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if Spinco becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds Spinco has to pay such liabilities and result in bankruptcy. Should Spinco be unable to fund fully the remedial cost of an environmental problem, Spinco might be required to enter into interim compliance measures pending completion of the required remedy.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit.

Costs of Land Reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which Spinco holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of Spinco.

Title to Property

There may be challenges to title to the mineral properties in which Spinco holds a material interest. If there are title defects with respect to any properties, Spinco might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs.

Dependence on Key Individuals

Spinco is and will be dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on Spinco. At this time, Spinco does not maintain key-person insurance on the lives of any of its key personnel.

In addition, Spinco will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. Spinco provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of Spinco or be available upon commercially acceptable terms.

Regulatory Change

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Spinco and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties

Conflicts of Interest

Some of the directors and officers of Spinco are directors and officers of other companies, some of which are in the same business as Spinco. Some of Spinco's directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct competition with Spinco. Spinco's directors and officers are required by law to act in the best interests of Spinco. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to Spinco may result in a breach of their obligations to the other companies and, in certain circumstances, this could expose Spinco to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of Spinco. Such conflicting legal obligations may expose Spinco to liability to others and impair its ability to achieve its business objectives.

Third Party Stakeholders

The lands in which Spinco holds an interest, or the exploration equipment and roads or other means of access which Spinco intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Spinco's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for Spinco.

Value of Spinco Shares

Assuming the Spinco Shares are listed on the CSE, the market price of the Spinco Shares, as a publicly traded stock, can be affected by many variables not directly related to the corporate performance of Spinco, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of Spinco Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of Spinco Shares.

Currency Risk

Currency fluctuations may affect the cash flow which Spinco may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. Spinco's costs are incurred primarily in Canadian dollars.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which we would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. In recent months due to the significant downturn in the world economies has driven the commodities prices much lower which has made raising capital more difficult than past years.

PROMOTERS

CME took the initiative of founding and organizing Spinco and its business and operations and, as such, may be considered to be the promoter of Spinco for the purposes of applicable securities legislation. As at the date of the Information Circular, CME owns 100% of the issued and outstanding Spinco Shares. CME will transfer the Spinout Assets to Spinco to hold and operate as contemplated by the terms of the Arrangement Agreement and the Plan of Arrangement.

CME has not been subject to, within the last 10 years before the date of the Information Circular, 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.

CME has not 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 its assets.

CME has not been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security's regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Spinco is not subject to:

- (a) any penalties or sanctions imposed by any court authority relating to provincial and territorial securities legislation or by a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body against Spinco necessary to contain full, true and plain disclosure of all material facts relating to the Spinco Shares.

Spinco has not entered into any settlement agreement before a court relating to provincial and territorial securities legislation or with a securities regulatory authority since its incorporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since Spinco's incorporation, no director, executive officer, or shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Spinco Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect Spinco other than CME in connection with Spinco's incorporation (see in this Schedule "F", "*Corporate Structure*" and "*Promoters*"), the entering into of the Arrangement Agreement (see in the Information Circular, "*The Arrangement*"), and the transfer of assets to Spinco in connection with the Arrangement (see in this Schedule "F", "*Structure of the Transaction*" and "*Description of the Business*").

Certain directors and officers of CME are also the directors and officers of Spinco. See in the Information Circular, "*The Arrangement*".

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of Spinco is MNP LLP, located at Blvd, 1155 René-Lévesque Blvd W 23e étage, Montréal, Québec H3B 2K2.

The registrar and transfer agent of Spinco and for the Spinco Shares is Computershare Investor Services Inc., located at 1500 Boulevard Robert-Bourassa, Montréal, QC H3A 3S8.

MATERIAL CONTRACTS

The following are material contracts entered into by Spinco since its incorporation on October 19, 2020:

1. the Arrangement Agreement.

A copy of the Arrangement Agreement has been filed on CME's profile on SEDAR at www.sedar.com.

EXPERTS

Names of experts

The following prepared or certified a report, valuation, statement or opinion described or included or incorporated by reference in this Schedule “F”:

1. Merouane Rachidi, P. Geo., Ph.D. and Claude Duplessis, P. Eng. prepared the Spinco Technical Report for the Lac La Chesnaye property dated May 31, 2021. Merouane Rachidi, P. Geo., Ph.D. and Claude Duplessis, P. Eng. are each a qualified person for the purposes of NI 43-101 and are independent of the Spinco.
2. MNP LLP, has issued an audit report in connection with the annual financial statements incorporated by reference in this Schedule. MNP LLP is independent within the meaning of the Rules of Professional Conduct applicable to members of the Institute of Chartered Accountants of Québec.
3. Certain legal matters relating to the Arrangement and Spinco will be passed upon by McMillan LLP of Montréal, Québec, legal counsel to Spinco.

Interest of experts

None of the aforementioned persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned companies and partnerships, has received or will receive as a result of the Arrangement a direct or indirect interest in a property of Spinco or any associate or affiliate of Spinco, nor is currently expected to be elected, appointed or employed as a director, officer or employee of Spinco or any associate or affiliate of Spinco.

QUALIFIED PERSON

Merouane Rachidi, P. Geo., Ph.D. and Claude Duplessis, P. Eng. are each a “qualified person” for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Properties* of the Canadian Securities Administrators. They have reviewed and approved the scientific and technical information included in this Schedule “F”.

OTHER MATERIAL FACTS

To the best of Spinco’s knowledge, there are no further material facts or particulars in respect of Spinco that are not already disclosed herein that are necessary to be disclosed for this Schedule “F” to contain full, true and plain disclosure of all material facts relating to Spinco.

SCHEDULE "G"
AUDITED CARVE-OUT FINANCIAL STATEMENTS FOR THE YEARS ENDED JULY 31, 2020 AND
2019 AND THE NINE-MONTH PERIOD ENDED APRIL 30, 2021 (SPINCO PROPERTY)

[see attached]



LAC LA CHESNAYE PROPERTY OF CANADIAN METALS INC.

Statements of exploration and evaluation assets and mining property

Years ended July 31, 2019 and July 31, 2020

Nine months ended April 30, 2021



Independent auditor's report

To the Board of Directors of
Canadian Metals Inc.

Report on the audit of the statements of exploration and evaluation assets and mining property of the Lac La Chesnaye Property

Our opinion

In our opinion, the accompanying statements of exploration and evaluation assets and mining property of the Lac La Chesnaye Property of Canadian Metals Inc. (the financial statements) present fairly, in all material respects, the financial position of the Lac La Chesnaye Property (the Property) as at April 30, 2021, and July 31, 2020 and 2019 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Property's financial statements comprise the statements of exploration and evaluation assets and mining property of the Lac La Chesnaye Property of Canadian Metals Inc. as at April 30, 2021, and July 31, 2020 and 2019 and the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Canadian Metals Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of accounting

We draw to users' attention the fact that the financial statements do not comprise a full set of financial statements prepared in accordance with IFRS. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502

"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.



Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS relevant to preparing the statements of exploration and evaluation assets and mining property of the Lac La Chesnaye Property of Canadian Metals Inc. and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Property's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Property or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Property's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Property's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Property to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
June 22, 2021

¹ CPA auditor, CA, public accountancy permit No. A128042

LAC LA CHESNAYE PROPERTY OF CANADIAN METALS INC.

Financial Statements

Years ended July 31, 2019 and 2020 and nine months ended April 30, 2021

	As at July 31, 2019	As at July 31, 2020	As at April 30, 2021
Mining property	\$	\$	\$
Lac La Chesnaye	428,153	428,153	428,153
Total mining property	428,153	428,153	428,153

	As at July 31, 2019	As at July 31, 2020	As at April 30, 2021
Exploration and evaluation assets	\$	\$	\$
Lac La Chesnaye	107,073	107,073	107,073
Total exploration and evaluation assets	107,073	107,073	107,073

LAC LA CHESNAYE PROPERTY OF CANADIAN METALS INC.

Notes to Financial Statements

Years ended July 31, 2019 and 2020 and nine months ended April 30, 2021

1. Nature of operations and description of the transaction

Canadian Metals Inc. (the "Company" or "Canadian Metals" or "CME") is a company domiciled in Canada. Canadian Metals was incorporated on August 17, 2012 under the *Québec Business Corporations Act*. Canadian Metals is a public company listed on the Canadian Securities Exchange ("CSE") and its trading symbol is "CME". The Company's head office, which is also the main establishment, is located at 866, 3ième Avenue, Val-d'Or, Québec, Canada, J9P 1T1.

On May 20, 2021, the Company has approved a strategic restructuring of its assets pursuant to which the Company would spin off its existing Lac Chesnaye Property, located in Québec, into a separate entity ("Spinco"). It is proposed that the transaction will be carried out by way of statutory plan of arrangement (the "Spin-Out") pursuant to the Business Corporations Act (Québec). Through the Spin-Out, shareholders of the Company will exchange all of the existing issued and outstanding common shares for the same number of new common shares of the Spinco (having identical terms as the existing common shares) and an aggregate of 4,300,000 common shares in the capital of Spinco. These statements of exploration and evaluation assets and mining property have been prepared in connection with the Spin-Out.

2. Basis of preparation

The statements of exploration and evaluation assets and mining property (the Statements) of the Lac La Chesnaye Property of Canadian Metals Inc. are prepared to assist the Company with the Spin-Out transaction described above.

The Statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These Statements have been prepared on a historical cost basis and all amounts are expressed in Canadian dollars.

No acquisition costs on mining properties and expenditures on exploration and evaluation assets were incurred during the years ended July 31, 2019 and 2020 and the nine-month period ended April 30, 2021. As such, there are no changes in the accumulated costs and cash flows to report for these periods.

3. Summary of Significant Accounting Policies

3.1 Mining properties and exploration and evaluation assets

Mining properties correspond to acquired interests in mining exploration permits / claims which include the rights to explore for mine, extract and sell all minerals from such claims.

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement) are capitalized as mining properties and the expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are capitalized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

LAC LA CHESNAYE PROPERTY OF CANADIAN METALS INC.

Notes to Financial Statements

Years ended July 31, 2019 and 2020 and nine months ended April 30, 2021

The various costs are capitalized pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

3.2 Impairment of exploration and evaluation assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the assets or cash-generating units recoverable amount exceeds its carrying amount.

SCHEDULE "H"
AUDITED FINANCIAL STATEMENTS OF SPINCO FOR THE PERIOD FROM INCORPORATION ON
OCTOBER 19, 2020 TO APRIL 30, 2021

[see attached]

QNB METALS INC.

**Financial Statements
(Expressed in Canadian Dollars)**

As at and for the period from incorporation on October 19, 2020 to April 30, 2021

To the Shareholders of QNB Metals Inc.:

Opinion

We have audited the financial statements of QNB Metals Inc. (the "Company"), which comprise the statement of financial position as at April 30, 2021, and the statements of net loss and comprehensive loss, changes in shareholder's equity and cash flow for the period from the date of incorporation on October 19, 2020 to April 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021, and its financial performance and its cash flow for the period from the date of incorporation on October 19, 2020 to April 30, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company depends upon its ability to obtain financing to fund its operation. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Anand Beejan.

Montréal, Québec

June 23, 2021

MNP SENCRL, s.r.l.¹

¹ CPA auditor, CA, public accountancy permit no. A126822

QNB METALS INC.

Statement of Financial Position

(Expressed in Canadian Dollars)

As at

	April 30, 2021
	\$
Assets	
Current:	
Cash	1
Total assets	1
Liabilities	
Current:	
Trade accounts payable and accrued liabilities	14,022
Total liabilities	14,022
Shareholder's equity	
Share capital (note 4)	1
Deficit	(14,022)
Total equity	(14,021)
Total liabilities and shareholder's equity	1

Nature and continuance of operation and going concern (Note 1)

On behalf of the Board of Directors,

(S) Stéphane Leblanc
Chief Executive Officer/Director

(S) Michel Gagnon
Director

The accompanying notes are an integral part of these financial statements

QNB METALS INC.

Statement of Net loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

	\$
Expenses	
Professional fees	14,022
<hr/>	
Net Loss and Comprehensive Loss for the period	14,022
<hr/>	
Loss per Share	
Basic and diluted loss per share	140.22
<hr/>	
Weighted average number of common shares outstanding	100
<hr/>	

The accompanying notes are an integral part of these financial statements.

QNB METALS INC.

Statement of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

	Numbers of Common Shares	Share capital \$	Deficit \$	Total \$
Balance, October 19, 2020	-	-	-	-
Shares issued for cash on incorporation	100	1	-	1
Loss and comprehensive loss for the period	-	-	(14,022)	(14,022)
Balance, April 30, 2021	100	1	(14,022)	(14,021)

The accompanying notes are an integral part of these financial statements.

QNB METALS INC.

Statement of Cash Flows

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

	2021
	\$
Operating activity:	
Net loss	(14,022)
Operating activity before change in working capital item	(14,022)
Change in trade accounts payable and accrued liabilities	14,022
Cash flows from operating activities	-
Financing Activity:	
Shares issued for cash	1
Net change in cash for the period	1
Cash, beginning of the period	-
Cash, end of the period	1

The accompanying notes are an integral part of these financial statements.

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

QNB Metals Inc. (the “Company”) was incorporated under the Canada Business Corporations Act on October 19, 2020. The Company was incorporated as the target company for certain assets that are to be spun out from Canadian Metals Inc. (“CME”). The Company is a wholly owned subsidiary of CME. The address of its head office, which is also the main establishment, is located at 866 3e Avenue, Val-d’Or, Quebec, Canada, J9P 1T1.

CME plans to complete a Plan of Arrangement under the Canada Business Corporations Act with the Company, whereby CME’s Lac La Chesnaye Property will be spun out to the Company in accordance with the Plan of Arrangement. Shareholders of CME will exchange all of the existing issued and outstanding CME common shares for the same number of new common shares of the Company. An aggregate of 4,300,000 common will be exchanged and the Company will apply to be listed on the Canadian Securities Exchange.

The completion of the Plan of Arrangement is subject to the satisfaction of various conditions including but not limited to: (i) the completion of a concurrent financing for a minimum of 5,000,000 units at a price of \$0.10 per unit for gross proceeds \$500,000 and a maximum of 15,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,500,000. Each unit will be comprised of one new common share and one-half of one new common share purchase warrant entitling the holder to purchase one new common share at an exercise price of \$0.18 for a period of 24 months; and (ii) receipt of all requisite regulatory, CSE, court or governmental authorizations and third-party approvals or consents.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its operations, its projects and continued support of suppliers and creditors. The Company’s ability to raise enough financing to meet these objectives cannot be determined at this time. The Company’s business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. These material uncertainties may cast significant doubt regarding the Company’s ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

The Board of Directors approved the audited financial statements for issue on June 23, 2021.

2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Standards Interpretation Committee (“IFRIC”).

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

Classification:

Financial Assets/Liabilities	Classification
Cash	Financial Asset at amortized cost
Accounts payable and accrued liabilities	Financial Liabilities at amortized cost

Financial assets:

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of loss and comprehensive loss in the period. The Company has classified its cash as fair value through profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Financial instruments (Continued)

Financial liabilities:

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Financial liabilities at amortized cost: This category includes trade accounts payable and accrued liabilities which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

b) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable relating to previous periods.

Deferred tax is recognized in respect to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

c) Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the same period.

Diluted loss per share is calculated by adjusting loss attributable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Significant judgments, estimates and assumptions

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to note 1 for further information.

4. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

As at April 30, 2021, the Company issued one hundred common shares at a price of \$0.01.

5. INCOME TAXES

Income tax recovery differs from the amount that would be computed by applying Canadian statutory income tax rate of 26.6% to income before taxes. The reasons for the difference are as follows:

	2020
	\$
Loss before taxes	(14,022)
Statutory tax rate	26.5%
Expected income tax (recovery)	(3,716)
Items not deductible for income tax purposes	-
Tax benefits not recognized	3,716
Income tax expense	-

QNB METALS INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

For the Period from Incorporation on October 19, 2020 to April 30, 2021

5. INCOME TAXES (Continued)

Significant components of the deferred income tax assets and (liabilities) of the Company are as follows:

	Opening balance	2020 Recognized in net income	Closing balance
	\$	\$	\$
Deferred tax assets (liabilities)			
Non-capital losses	-	-	-

The Company's deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	Federal	2020 Quebec
	\$	\$
Non-capital losses	14,022	14,022
Unrecognized deductible temporary differences	14,022	14,022

The company's unrecognized non-capital tax losses have the following expiry dates:

	Federal	Quebec
2041	\$ 14,022	\$ 14,022

SCHEDULE "I"
UNAUDITED PRO FORMA FINANCIAL STATEMENTS OF SPINCO

[see attached]

QNB METALS INC.

Unaudited Pro Forma Financial Statements

April 30, 2021

QNB METALS INC.

Table of content

Pro Forma Statement of Financial Position – Minimum offer	2
Pro Forma Statement of Financial Position – Maximum offer	3
Notes to Pro forma Statement of Financial Position	4-6

QNB METALS INC.

**Statement of Financial Position – Minimum offer
(non-audited)
As at 30 April, 2021**

	Statement of Financial Position April 30, 2021 \$	Pro forma Adjustments \$	Notes	Pro forma April 30, 2021 \$
ASSETS				
CURRENT				
Cash	1	500,000	3	500,001
	1	500,000		500,001
NON CURRENT				
Exploration and evaluation assets	-	430,000	2	430,000
Total assets	1	930,000		930,001
LIABILITIES				
CURRENT				
Trade accounts payable	14,022	-		14,022
Total liabilities	14,022	-		14,022
EQUITY				
Share capital (Note 4)	1	930,000	2,3	930,001
Deficit	(14,022)	-		(14,022)
Total equity	(14,021)	930,000		915,979
Total liabilities and equity	1	930,000		930,001

On behalf of the Board,

(s) Stéphane Leblanc, Chief Executive Officer

QNB METALS INC.

**Statement of Financial Position – Maximum offer
(non-audited)
As at 30 April, 2021**

	Statement of Financial Position April 30, 2021 \$	Pro forma Adjustments \$	Notes	Pro forma April 30, 2021 \$
ASSETS				
CURRENT				
Cash	1	1,500,000	3	1,500,001
	1	1,500,000		1,500,001
NON CURRENT				
Exploration and evaluation assets	-	430,000	2	430,000
Total assets	1	1,930,000		1,930,001
LIABILITIES				
CURRENT				
Trade accounts payable	14,022	-		14,022
Total liabilities	14,022	-		14,022
EQUITY				
Share capital (Note 6)	1	1,930,000	2,3	1,930,001
Deficit	(14,022)	-		(14,022)
Total equity	(14,021)	1,930,000		1,915,979
Total liabilities and equity	1	1,930,000		1,930,001

On behalf of the Board,

(s) Stéphane Leblanc, Chief Executive Officer

QNB METALS INC.
Notes to Pro forma Statement of Financial Position
(non-audited)
As at 30 April, 2021

1. BASIS OF PRESENTATION

The Pro Forma Financial Statements have been prepared for illustrative purposes only and give effect to the transaction as further described in Note 2 and pursuant to the assumptions and adjustments described in Note 3.

The unaudited pro forma statement of financial position as at April 30, 2021 gives effect to the transaction described in note 2 as if it had occurred on April 30, 2021. The Pro Forma Financial Statements are not necessarily indicative of the financial position that would have been achieved if the transactions had been completed on the date nor do they claim to project the results of operations or financial position of the entity for any future period or as of any future date.

The Pro Forma Financial Statements should be read in conjunction with the description of the transactions and related documents in the Management Information Circular. In the opinion of the Company's management, these Pro Forma Financial Statements include all adjustments necessary for a fair presentation of the transactions described in the notes to the Pro Forma Financial Statements and applied on a basis consistent with the QNB Metals' accounting policies.

The accounting policies used in preparing the Pro Forma Financial Statements are set out in Canadian Metals Inc's audited combined financial statements for the year ended July 31, 2020, which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

The pro forma statements of financial position are prepared to assist the Company with the Spin-Out transaction described below.

2. TRANSFER OF PROPERTY

Canadian Metals Inc. ("CME") will complete a Plan of Arrangement under the Canada Business Corporations Act with the Company, whereby CME'S Lac La Chesnaye Property will be spun out to the Company in accordance with the Plan of Arrangement. Shareholders of CME will exchange all of the existing issued and outstanding CME common shares for the same number of new common shares of the Company. An aggregate of 4,300,000 common at a price of \$0.10 will be exchanged and the Company will apply to be listed on the Canadian Securities Exchange.

QNB METALS INC.
Notes to Pro forma Statement of Financial Position
(non-audited)
As at 30 April, 2021

3. PRO FORMA ASSUMPTIONS

The completion of a concurrent financing for a minimum of 5,000,000 units at a price of \$0.10 per unit for gross proceeds \$500,000 and a maximum of 15,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,500,000. Each unit will be comprised of one new common share and one-half of one new common share purchase warrant entitling the holder to purchase one new common share at an exercise price of \$0.18 for a period of 24 months.

4. SHARE CAPITAL – MINIMUM OFFER

Authorized :

Unlimited number of common shares without par value.

Issued and outstanding

	Number	\$
Outstanding at beginning	100	1
Shares issued as payment of mining property	4,300,000	430,000
Shares issued – private placements	5,000,000	500,000
Outstanding at end	<u>9,300,100</u>	<u>930,001</u>

5. WARRANTS – MINIMUM OFFER

Issued and outstanding

	Number	Exercise price \$
Outstanding at beginning	-	-
Granted	2,500,000	0.18
Outstanding at end	<u>2,500,000</u>	<u>0.18</u>

QNB METALS INC.
Notes to Pro forma Statement of Financial Position
(non-audited)
As at 30 April, 2021

6. SHARE CAPITAL – MAXIMUM OFFER

Authorized :

Unlimited number of common shares without par value.

Issued and outstanding

	Number	\$
Outstanding at beginning	100	1
Shares issued as payment of mining property	4,300,000	430,000
Shares issued – private placements	15,000,000	1,500,000
Outstanding at end	<u>19,300,100</u>	<u>1,930,001</u>

7. WARRANTS – MAXIMUM OFFER

Issued and outstanding

	Number	Exercise price
		\$
Outstanding at beginning	-	-
Granted	7,500,000	0.18
Outstanding at end	<u>7,500,000</u>	<u>0.18</u>