

# **PURANIUM ENERGY LTD.**

777 Hornby Street, Suite 600  
Vancouver, BC  
V6Z 1S4

## **MANAGEMENT INFORMATION CIRCULAR FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS**

(containing information as at May 11, 2022 unless otherwise stated)

### **SOLICITATION OF PROXIES**

**This management information circular (the “Circular”) is furnished in connection with the solicitation of Proxies by the management of Puranium Energy Ltd. (formerly Monterey Minerals Inc., the “Corporation”), for use at the annual general meeting (the “Meeting”), of the holders (“Shareholders”) of common shares without par value in the capital of the Corporation (the “Common Shares”), to be held on Wednesday, the 08<sup>th</sup> day of June, 2022, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. It is expected that the solicitation of Proxies on behalf of management will be primarily by mail; however, Proxies may be solicited personally or by telephone by the regular officers, employees or agents of the Corporation. The cost of soliciting Proxies on behalf of management will be borne by the Corporation. The Corporation may also reimburse brokers and other persons holding Common Shares in their names or in the name of nominees, for their costs incurred in sending Proxy materials to beneficial owners and obtaining their Proxies or voting instructions.**

### **APPOINTMENT OF PROXIES**

**The persons named in the accompanying form of proxy (the “Proxy”) are representatives of management of the Corporation and are directors and/or officers of the Corporation. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM/HER ON HIS/HER BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER MAY STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AND INSERT THE NAME AND VALID EMAIL ADDRESS OF HIS/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS RETURNED TO AGM CONNECT IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT IN THE FORM OF PROXY ACCOMPANYING THE MANAGEMENT INFORMATION CIRCULAR, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ANY ADJOURNMENT THEREOF.**

The Proxy must be signed by the Shareholder or by his/her attorney in writing, or, if the Shareholder is a Corporation, it must either be under its common seal or signed by a duly authorized officer.

## ATTENDING THE PURANIUM ENERGY LTD MEETING

	IF YOU HAVE RECEIVED PROXY FROM WITH A <b>VOTER ID</b> and <b>MEETING ACCESS CODE</b> FROM AGM CONNECT		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A <b>16-DIGIT CONTROL NUMBER</b> FROM AN INTERMEDIARY
	<b>Registered Shareholders</b> (your securities are held in your name in a physical certificate or DRS statement)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank or other intermediary)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank or other intermediary)
<b>PRIOR TO THE MEETING</b>	Login through <a href="http://www.agmconnect.com/pur2022">www.agmconnect.com/pur2022</a> using the Voter Id and Meeting Code found on the included form of Proxy	Appoint yourself as proxyholder on your proxy and follow the instructions at <a href="http://www.agmconnect.com/pur2022">www.agmconnect.com/pur2022</a>	Appoint yourself as proxyholder as instructed herein and on the VIF.
		Following the proxy cut-off date, your appointed proxyholder will be provided with an AGM Connect Voter ID and Meeting Access Code	AFTER submitting your proxy appointment, <b>you MUST contact AGM Connect</b> to obtain a Voter ID and Meeting Access Code at +1. 855.839.3715 or <a href="mailto:voteproxy@agmconnect.com">voteproxy@agmconnect.com</a>
<b>JOINING THE VIRTUAL MEETING</b> (at least 15 minutes prior to start of the Meeting)	Register and login at <a href="http://app.agmconnect.com">http://app.agmconnect.com</a> <b>Registered Shareholders or validly appointed Proxyholders will need to provide an email address, AGM Connect Voter ID and the Meeting Access Code</b>		

### NON-REGISTERED HOLDERS

Only those Shareholders whose names appear on the central security register of the Corporation (“**Registered Shareholders**”), or the persons they appoint as their Proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust Companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation has distributed copies of the Meeting materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often use service Companies to forward the Meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting materials will either:

- A. be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form

(which may in some cases permit the completion of the voting instruction form by telephone); or

- B. be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder, but which is otherwise uncompleted. This Proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the form of Proxy and deposit it with AGM Connect by mail to 401 Bay Street, Suite 2704, Toronto ON, M5H 2Y4 or email to [voteproxy@agmconnect.com](mailto:voteproxy@agmconnect.com).

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives either a Proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the Proxy and insert the Non-Registered Holder's (or such other person's) name and email address in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. *In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service Companies.*

## REVOCATION

A Registered Shareholder who has given a Proxy may revoke the Proxy by:

- (a) completing and signing a Proxy bearing a later date and depositing it with AGM Connect by mail to 401 Bay Street, Suite 2704, Toronto ON, M5H 2Y4 or emailing [support@agmconnect.com](mailto:support@agmconnect.com);
- (b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the Proxy is to be used, or (ii) with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment of the Meeting; or
- (c) in any other manner permitted by law.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary may not be required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

## VOTING OF PROXIES

The management representatives designated in the enclosed Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by Proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the shares represented by such form of

Proxy, properly executed FOR the matters identified in the notice of Meeting and any other matters which may properly come before the Meeting.

The enclosed Proxy confers discretionary authority upon the management representatives designated in the Proxy with respect to amendments to or variations of matters identified in the notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Corporation know of no such amendments, variations or other matters.

The Corporation is sending proxy-related materials to registered holders or beneficial owners using notice and access. The Corporation is sending proxy-related materials directly to non-objecting beneficial owners under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). Management of the Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner’s intermediary assumes the cost of delivery.

### VOTE USING THE FOLLOWING METHODS PRIOR TO THE MEETING

	IF YOU HAVE RECEIVED PROXY FROM WITH A VOTER ID and MEETING ACCESS CODE FROM AGM CONNECT		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A <u>16-DIGIT CONTROL NUMBER</u> FROM AN INTERMEDIARY
VOTING METHOD	<b>Registered Shareholders</b> (your securities are held in your name in a physical certificate or DRS statement)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank or other intermediary)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank or other intermediary)
Internet	Login to <a href="https://app.agmconnect.com">https://app.agmconnect.com</a> Using the Meeting Access Code and Voter ID provided to you complete the form to Submit Proxy		Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> Enter the 16- digit control number printed on the VIF and follow the instructions on screen
Email	Complete, sign and date the proxy form and email to: <a href="mailto:voteproxy@agmconnect.com">voteproxy@agmconnect.com</a>		N/A
Telephone	Call +1.855.839.3715 to register your vote for the Puranium Energy Ltd AGSM		N/A
Mail	Enter your voting instructions, sign, date and return the form to AGM Connect in the enclosed envelope		Enter your voting instructions, sign, date and return completed VIF in the enclosed postage paid envelope

### **FORWARD-LOOKING STATEMENTS**

Certain statements in this Circular that are not statements of historical fact, including statements relating to each as more particularly described herein, may constitute “forward-looking statements”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Circular, such statements use such words as “may”, “will”, “expect”, “believe”, “plan”, “intend”, “should”, “anticipate” and other similar

terminology. These statements reflect current assumptions and expectations regarding future events and operating performance as of the date of this Circular. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this Circular are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with such forward-looking statements. All forward-looking statements are made as of the date of this Circular, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances. Accordingly, readers should not place undue reliance on forward-looking statements.

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

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at April 22, 2022 (the “**Record Date**”). As at the Record Date, the Corporation has 9,244,976 Common Shares, each Common Share carrying the right to one vote.

Each Common Share entitles the holder thereof to one vote on all MATTERS to be ACTED UPON at the Meeting. All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed Proxy shall have been delivered to AGM Coconnect, within the time specified in the notice of Meeting, to attend and to vote thereat by Proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or Company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares.

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

Except as otherwise disclosed herein, none of:

- (a) the directors or senior officers of the Corporation at any time since the beginning of the last financial year of the Corporation;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associate or affiliate of the foregoing persons, have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of directors.

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

#### **ELECTION OF DIRECTORS**

At the Meeting, the following four (4) persons named hereunder will be proposed for election as directors of the Corporation. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying

Proxy to vote the Proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual Meeting of Shareholders of the Corporation, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause. Although management is nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. The Board recommends that Shareholders vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.

The following table sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by them. The information as to Common Shares beneficially owned, directly or indirectly or over which control or direction is exercised, not being with the knowledge of the Corporation, has been furnished by the respective nominees individually.

<b>Name &amp; Municipalities of Residence</b>	<b>Present Principal Occupation within the past 5 years</b>	<b>Director Since</b>	<b>Number of the Corporation's Common Shares Beneficially Held</b>
<b>Julio DiGirolamo</b> <sup>(2)</sup> Ontario, Canada Director, CFO & Corporate Secretary	CFO and Corporate Secretary ("Corp. Sec.") of the Corporation (Aug. 2018 to present). CFO of 55 North Mining (Jan. 2017 to present). CFO & Director of Graycliff Exploration (Oct. 2019 to present).	CFO, Corp. Sec. & Director since Aug. 5, 2018	120,562 <sup>(2)</sup>
<b>David Lees</b> <sup>(3)</sup> Western Australia, Australia Director	Non-Executive Chairman of C29 Metals Ltd (ASX:C29). Non-Executive Director of Sultan Resources Ltd (ASX:SLZ)	Director since Dec. 11, 2019	84,155 <sup>(3)</sup>
<b>Guy T. Le Page</b> <sup>(4)</sup> Western Australia, Australia Director & Non-Executive Chairman	Director and Corporate Advisor of RM Capital Pty Ltd, from 2002 to present.	Director since Feb. 28, 2019	500,970 <sup>(4)</sup>
<b>Jason Bagg</b> Ontario, Canada Director, President & CEO	President of Canadian Shield Capital from 2009 to present, Public Relations Manager of Broadway Strategic Metals Inc. from 2019 to present and Consultant with Madison Metals Inc. from 2021 to present.	President, CEO & Director since Jan. 11, 2022	NIL

**Notes:**

- (1) Each director's current term expires at the Meeting.
- (2) This does not include 121,750 common share purchase warrants (the "Warrants") held by Mr. DiGirolamo.

- (3) 84,062 of these shares are held by Peninsula Investments Pty Ltd. ("Peninsula"), a corporation controlled by Mr. Lees. This does not include 80,000 Warrants held by Peninsula.
- (4) This does not include 500,970 Warrants held by Mr. Le Page.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, Common Shares, representing approximately 7.6% of the issued and outstanding Common Shares as of the date hereof.

The members of the Audit Committee are: David Lees, Guy T. Le Page and Julio DiGirolamo. The Corporation has not appointed a Compensation Committee or a Corporate Governance & Nominating Committee at this time. The Board is constituted with two independent directors being David Lees and Guy T. Le Page, and two directors who are not independent being Julio DiGirolamo and James Macintosh.

Additional biographical information including the principal occupation of each member of the Board for the past five years preceding the date hereof is described below:

**Jason Bagg, President, Chief Executive Officer and Director** brings over 25 years of financial industry experience in the technology, real estate and mining sectors to the Puranium Energy Team. He started his career with large firms in the capital markets space as an advisor at RBC and an options trader at Scotia Capital working with retail and institutional investors. In 2005, he focused on the mining industry working with several publicly listed junior mining companies on the TSX Venture Exchange in an Investor Relations role. He was responsible for increasing investor awareness and shareholder value through direct meetings with analysts, fund managers and high-net-worth investors. Later in 2015, he consulted several real estate focused corporations on structuring investment vehicles specifically, limited partnerships and real estate investment trusts, in accordance with OSC regulations and how to bring them to market. For the past three years, Mr. Bagg has been working with several private junior mining companies in the areas public relations and corporate finance. It is expected that Mr. Bagg will devote approximately 75% of his time to his role with the Company.

**Julio DiGirolamo, Chief Financial Officer and Corporate Secretary and Director** is a Chartered Professional Accountant with over 27 years of senior-level public company experience including four and a half years as Chief Financial Officer of Carlisle Goldfields Limited, a TSX-listed gold exploration company with projects located in northern Manitoba, Canada, until its sale to Alamos Gold Inc. in January 2016. Among his other responsibilities, Mr. DiGirolamo is currently also Chief Financial Officer, Corporate Secretary and Director of Graycliff Exploration Limited as well as Chief Financial Officer of 55 North Mining Inc. and Satori Resources Inc. He began his public market experience while holding various senior roles during his five years with Greenstone Resources Ltd., a TSX and NASDAQ-listed gold mining company with activities focused in four Latin American countries. Mr. DiGirolamo was also previously the Chief Financial Officer of Bunker Hill Mining Corp, a CSE-listed company, as well as Asia Now Resources Corp., a TSX Venture Exchange-listed junior exploration company, and Chief Financial Officer and Corporate Secretary of Innovium Media Properties Corp., a TSX Venture Exchange-listed early stage investor. During his time at Innovium, he also acted as interim Chief Financial Officer at Seed Media Group LLC and as Chief Financial Officer, Corporate Secretary and member of the Board of Directors of Atlantis Systems Corp. Over his career, Mr. DiGirolamo has served on the boards

of various public and non-profit organizations. It is expected that Mr. DiGirolamo will devote approximately 25% of his time to his role with the Company.

**David Lees, Director** has over 20 years' experience in the financial services industry, beginning his career as a stockbroker before moving into investment and funds management, with a primary focus on natural resources. Through these roles, Mr. Lees has gained extensive experience with capital raising, business development, portfolio management, business relationships and corporate governance. Mr. Lees currently serves as the Non-Executive Chairman of C29 Metals Ltd (ASX:SLZ) and Non-Executive Director of Sultan Resources Ltd. (ASX:SLZ). His education qualifications include a Bachelor of Economics from Murdoch University in Western Australia and a post graduate diploma in Applied Finance and Investment from the Securities Institute. It is expected that Mr. Lees will devote approximately 10% of his time to his role with the Company.

**Guy T. Le Page, Director** is Chairman of the Board of Directors of the Corporation. He is also a Director and Corporate Advisor of RM Capital Pty Ltd, which specializes in resources. Mr. Le Page was Head of Research at Morgan Stockbroking Limited (Perth). As Head of Research, Mr. Le Page was responsible for the supervision of all Industrial and Resources research. Prior to that, Mr. Le Page was a resources analyst covering exploration and mining Companies listed on the Australian Stock Exchange. Prior to joining the brokerage industry, he spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. Mr. Le Page holds a B.A., a B.Sc. and a M.B.A. from the University of Adelaide, a Bachelor of Applied Science (Hons) from the Curtin University of Technology and a Graduate Diploma in Applied Finance and Investment from the Financial Securities Institute of Australia.

### **Cease Trade Orders, Bankruptcies or Sanctions**

Except as specified below, as at the date of this Circular, and within the last 10 years before the date of the Circular, neither the CEO or CFO, nor any director (or any of their personal holding Companies) of the Corporation was a director, CEO or CFO of any Company (including the Corporation) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant Company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the Company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;
- (c) is as at the date of this Circular or has been within 10 years before the date of this Circular, a Director or Executive Officer of any Company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any



proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Mr. DiGirolamo served as an officer of Asia Now Resources Corp. (“**ANR**”) from August 2013 to August 2015. Mr. Macintosh also served as a director of ANR from June 2012 to August 2015 and was the Chair of the Special Committee of the Board of Directors. The Special Committee of the Board of Directors of ANR determined that it was in ANR’s best interests to facilitate a “going private” transaction whereby its majority shareholder and secured debtholder, China Gold Pte. Ltd. (“**China Gold**”), would purchase the shares of ANR it did not already own. In July 2015, a sufficient number of ANR’s minority shareholders voted against this proposal such that the transaction was not approved, and ultimately resulted in a default on ANR’s secured debt with China Gold. Mr. DiGirolamo and Mr. Macintosh both resigned from their roles at ANR. Subsequently, a receiver was appointed in August 2015 with a view to liquidating ANR’s remaining assets. This process has been completed through the courts in Ontario.

### **Penalties or Sanctions**

No director, officer, insider or promoter of the Corporation or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

### **APPOINTMENT AND REMUNERATION OF AUDITORS**

At the Meeting, the Board proposes to re-appoint Clearhouse LLP (“**Clearhouse**”, formerly SDVC LLP of 2560 Matheson Blvd E #527, Mississauga, ON L4W, as Auditors of the Corporation and to authorize remuneration to be fixed by the Board. Clearhouse will hold office until the next annual general Meeting of the Shareholders or until its successor is appointed.

**The Board recommends that Shareholders vote FOR the re-appointment of Clearhouse as Auditor of the Corporation.**

### **OTHER MATTERS**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of Proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

## **EXECUTIVE COMPENSATION**

### **Introduction**

Pursuant to the requirements of Form 51-102F6V-*Statement of Executive Compensation – Venture Issuers*, all direct and indirect compensation provided to certain executive officers, and directors for, or in connection with, services they have provided to the Corporation or a subsidiary of the Corporation must be disclosed in this form. Based on new legislation the Corporation is required to

disclose annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the two most recently completed financial years in respect of the individuals comprised of the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and the most highly compensated executive officers of the Corporation whose individual total compensation for the most recently completed financial year exceeds \$150,000, and any individual who would have satisfied these criteria but for the fact that the individual was not serving as an officer at the end of the most recently completed financial year (the “**Named Executive Officers**” or “**NEOs**”).

Directors and Named Executive Officer compensations have been disclosed based on requirements of the new form 51-102F6V under below tables as follows:

- (1) Table of compensation excluding compensation securities;
- (2) Stock options and other compensation securities; and
- (3) Exercise of Compensation Securities by directors and NEO’s.

### **Named Executive Officers of the Corporation for the year-ended December 31, 2021**

During the fiscal year-ended December 31, 2021, the Corporation had two NEOs: (i) James Macintosh, President, Chief Executive Officer and Director of the Corporation, and (ii) Julio DiGirolamo, Chief Financial Officer, Corporate Secretary and Director of the Corporation. Mr. Bagg was not appointed President, CEO and Director until January 11, 2022.

### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table states the names of each NEO and director, his annual compensation, consisting of salary, consulting fees, bonuses and other annual compensation, excluding compensation securities, for each of the Corporation’s three most recently completed financial years.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of other compensation (\$)</b>	<b>Total compensation (\$)</b>
James Macintosh Former President, CEO & Director <sup>(1)</sup>	2021	25,000	0	0	0	0	25,000
	2020	60,000	0	0	0	0	60,000
	2019	60,000	0	0	0	0	60,000
Julio DiGirolamo CFO, Corp. Sec. & Director	2021	47,000	NIL	NIL	NIL	NIL	47,000
	2020	42,000	NIL	NIL	NIL	NIL	42,000
	2019	30,000	NIL	NIL	NIL	NIL	30,000
Guy T. Le Page Non-Exec. Chairman & Director <sup>(2)</sup>	2021	NIL	NIL	NIL	NIL	NIL	NIL
	2020	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL
David Lees, Interim CEO & Director <sup>(3)</sup>	2021	NIL	NIL	NIL	NIL	NIL	NIL
	2020	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL

**Notes:**

- (1) Mr. Macintosh was appointed President, CEO and Director on Aug. 1, 2018 and resigned all positions on June 25, 2021.
- (2) Mr. Le Page was appointed as Non-Executive Chairman and Director on February 28, 2019.
- (3) Mr. Lees was appointed as Director on December 11, 2019. Mr. Lees was appointed interim CEO on June 25, 2021.

### Incentive Plan Awards

The Corporation did not grant any option-based awards to any NEO and director for the year ended December 31, 2021. The Corporation does not grant any share-based awards. There were no values vested as that would be the difference between the exercise price on the vesting date and the market price on the date of grant. There was no value of unexercised in the money options as the market price at year-end was below the exercise prices of all existing options granted during the past three fiscal years. No options were exercised during the year ended December 31, 2021.

### Stock Option Plans and Other Incentive Plans

The Company created a stock option plan that was approved by the Board on August 5, 2018 (the “**Stock Option Plan**”). The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants (together, “**service providers**”) of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its Shareholders.

The Stock Option Plan provides that, subject to the requirements of the CSE, the aggregate number of Common Shares reserved for issuance pursuant to options granted under the Stock Option Plan will not exceed 10% of the number of Common Shares of the Company issued and outstanding from time to time. The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder subject to the express provisions of the Stock Option Plan. Options may be granted under the Stock Option Plan to such directors, employees, consultants or management Company employees of the Company and its subsidiaries, if any, as the Board may from time to time designate. The exercise prices are determined by the Board, but may not, in any event, be less than the closing market price of the Common Shares on the CSE on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the option grant, or the posting of notice of the proposed option grant with the CSE. The Stock Option Plan complies with section 2.25 of National Instrument 45-106 *Prospectus Exemptions* and provides that the number of Common Shares which may be reserved for issuance on a yearly basis to any one related person upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares calculated at the time of grant. Moreover, the Company cannot issue grants to related persons if in the aggregate their grants would, on a fully diluted basis, exceed 10% of the issued and outstanding Common Shares of the Company.

The Stock Option Plan is the Corporation’s only equity compensation plan. As of the date of this Circular, the Corporation has 918,435 options outstanding to purchase Common Shares. The following table is a summary setting out the options outstanding that have been granted to directors, officers, employees, consultants or others as at the date of this Circular:

Table of stock options to purchase common shares granted and outstanding					
Group	Options granted	Exercise Price	Expiry Date	Grant Date	Closing Price on day of grant

Executive officers	3,750	\$12.00	August 15, 2023	August 15, 2018	N/A <sup>(1)</sup>
	1,875	\$9.60	February 28, 2024	February 28, 2019	\$8.00
	1,875	\$8.00	August 29, 2024	August 29, 2019	\$7.60
	2,500	\$8.00	August 10, 2025	August 10, 2020	\$6.80
	450,000	\$0.70	January 11, 2027	January 11, 2022	\$0.70
Directors	3,750	\$9.60	February 28, 2024	February 28, 2019	\$8.00
	1,875	\$8.00	August 29, 2024	August 29, 2019	\$7.60
	3,750	\$8.00	February 19, 2025	February 19, 2020	\$4.40
	3,750	\$8.00	August 10, 2025	August 10, 2020	\$6.80
	300,000	\$0.70	January 11, 2027	January 11, 2022	\$0.70
Consultants	12,500	\$12.00	August 15, 2023	August 15, 2018	N/A <sup>(1)</sup>
	5,312	\$9.60	February 28, 2024	February 28, 2019	\$8.00
	5,624	\$8.00	August 29, 2024	August 29, 2019	\$7.60
	12,499	\$8.00	August 10, 2025	August 10, 2020	\$6.80
	9,375	\$8.00	September 3, 2025	September 3, 2020	\$5.60
	100,000	\$0.70	January 11, 2027	January 11, 2022	\$0.215
Total	918,435				

## Notes

(1) The Corporation was not yet public, the price used was the issue price of the most recent financing.

### Employment, Consulting and Management Agreements

Management of the Corporation is performed by the directors and officers of the Company and not by any other person.

There are no plans in place with respect to compensation of the NEOs in the event of a termination of employment without cause or upon the occurrence of a change of control.

The Corporation has not entered into any consulting agreements.

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

Given the Corporation's size and stage of operations, it has not appointed a compensation Committee or formalized any guidelines with respect to compensation at this time. The amounts paid to the NEOs are determined by the independent Board members. The Board determines the appropriate level of compensation reflecting the need to provide incentives and compensation for the time and effort expended by the Corporation's executives, while taking into account the financial and other resources of the Corporation.

### Pension Plan Benefits for NEOs

As of the date of this Circular, the Corporation does not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

For information regarding securities authorized for issuance under equity compensation, please see "Executive Compensation - Stock Option Plans and Other Incentive Plans."

### Equity Compensation Plan Information

The following table provides details of the equity securities of the Corporation authorized for issuance as of the Circular pursuant to the Stock Option Plan currently in place:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	918,435	\$0.69	6,063
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	918,435	\$0.69	6,063

### **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

Since the beginning of the last fiscal year of the Corporation, none of the executive officers, directors or employees or any former executive officers, directors or employees of the Corporation or any proposed nominee for election as a director of the Corporation or any of their respective associates is or has been indebted to the Corporation or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, “**Informed Person**” means (a) a Director or Executive Officer of the Corporation; (b) a Director or Executive Officer of a person or Company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or Company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or Company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Corporation’s financial statements for the financial year-ended December 31, 2021, none of:

- a) the Informed Persons of the Corporation;
- b) the proposed nominees for election as a director of the Corporation; or
- c) any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Corporation or in a proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

### **APPOINTMENT OF AUDITOR**

The Auditor of the Corporation is Clearhouse LLP (formerly SDVC LLP), first appointed on February 8, 2019.

### **CORPORATE GOVERNANCE AND AUDIT COMMITTEES**

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance* and National Instrument 52-110 *Audit Committees* is attached to this Circular as Schedules “A” and “B”.

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

Other than the above, management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of Proxy confers discretionary authority upon the Designated Persons named therein to vote on such matters in accordance with their best judgment.

### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent for the Corporation is Integral Transfer Agency Inc. through its office located in Toronto, Ontario.

### **ADDITIONAL INFORMATION**

Copies of this Circular, the comparative audited annual financial statements of the Corporation for the year-ended December 31, 2021 and management discussion and analysis for the year-ended December 31, 2021 may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) or free of charge from the Corporation upon request from the Chief Executive Officer of the Corporation, at 777 Hornby Street, Suite 600, Vancouver, BC, V6Z 1S4, or by telephone at 416 862-7003 and such documents will be sent by mail or electronically by email as may be specified at the time of the request. Financial information on the Corporation is provided in the Corporation’s comparative audited annual financial statements and accompanying management discussion and analysis for the year-ended December 31, 2021.

### **BOARD APPROVAL**

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

DATED at Vancouver, British Columbia, this 28<sup>th</sup> day of April, 2022.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

(Signed) “Jason Bagg”

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**JASON BAGG**  
President & CEO

## SCHEDULE “A”

### PURANIUM ENERGY LTD. (the “Company”)

#### CORPORATE GOVERNANCE STATEMENT OF CORPORATE GOVERNANCE PRACTICES

##### General

Corporate governance refers to the policies and structure of the Board of a Company whose members are elected by and are accountable to the Shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making.

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This section sets out the Company’s approach to corporate governance and describes the measures taken by the Company to comply with NI 58-101.

##### Board of Directors

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

The Company’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company’s Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company’s Board is responsible for monitoring the Company’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The following members of the Board are non-independent: James Macintosh and Julio DiGirolamo.

The following members of the Board are independent: Guy T. Le Page and Samuel Hardy.

##### Directorships

The following directors of the Company are currently directors of other reporting issuers:

Director	Reporting Issuer:	Exchange Listed On & Symbol:
Julio DiGirolamo	Graycliff Exploration Limited Kingsview Minerals Ltd.	CSE – GRAY CSE - KVM

<b>Director</b>	<b>Reporting Issuer:</b>	<b>Exchange Listed On - Symbol:</b>
David Lees	Sultan Resources Ltd. Graycliff Exploration Limited C29 Metals Ltd	ASX – SLZ CSE – GRAY ASX-C29
Guy T. Le Page	Tasman Resources Ltd. Mt. Ridley Mines Ltd Conico Ltd.	ASX - TAS ASX - MRD ASX - CNJ

### **Orientation and Continuing Education**

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board Meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's Auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

### **Nomination of Directors**

The Company's management is continually in contact with individuals involved in the mineral exploration industry and public-sector resource issuers. From these sources, the Company has made numerous contacts and continues to consider nominees for future Board positions. The Company conducts diligence and reference checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in the area of strategic interest to the Company, the ability to devote the time required and willingness to serve. The Board does not currently have a nominating Committee.

### **Compensation**

The Board as a whole determines the salary and benefits of the executive officers and directors of the Company, as well as the Company's general compensation structure, policies and programs.

### **Other Board Committees**

The Board currently has no other Committees other than the Audit Committee.

### **Assessments**

The Board works closely with management, and, accordingly, the Board is in a position to assess the performance of individual directors on an ongoing basis.



## SCHEDULE “B”

### PURANIUM ENERGY LTD. (the “Company”)

#### FORM 52-110F2 - AUDIT COMMITTEE DISCLOSURE

Pursuant to National Instrument 52-110 *Audit Committees* (“NI 52-110”), the Company is required to have an Audit Committee. The general function of the Audit Committee is to review the overall audit plan and the Company’s system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Company’s Auditor. In addition, the Audit Committee must review and report to the directors of the Company on the financial statements of the Company and the Auditor’s report before they are published.

#### The Audit Committee’s Charter

The Audit Committee Charter of the Company is attached hereto as Schedule “C”.

#### Composition of the Audit Committee

At a Meeting of the Company’s Board on June 27, 2019, the Board approved an audit Committee (the “**Audit Committee**”). The Audit Committee is currently comprised of David Lees, Guy T. Le Page and Julio DiGirolamo.

Audit Committee Member	Title	Independent or Not	Financially Literate
David Lees	Director	Yes	Yes
Guy T. Le Page	Director	Yes	Yes
Julio DiGirolamo	Corporate Secretary, CFO & Director	No	Yes

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a member’s independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

#### Relevant Education and Experience

In addition to each member’s general business experience, each member of the Audit Committee has adequate education and experience that would provide the member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements;
- the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

At no time since incorporation has a recommendation of the Audit Committee to nominate or compensate an external Auditor not been adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since incorporation has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis non-audit services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 of NI 52-110 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.

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Clearhouse LLP (formerly SDVC LLP), for the year-ended December 31, 2021, to the Company to ensure Auditor independence. Fees billed for audit and non-audit services in the last two fiscal year-ends for audit fees are outlined in the following table:

<b>Nature of Services</b>	<b>Fees Billed by Auditor for the year-ended December 31, 2021</b>	<b>Fees Billed by the Auditor for the year-ended December 31, 2020</b>
Audit Fees <sup>(1)</sup>	17,605	15,338
Audit-Related Fees <sup>(2)</sup>	NIL	NIL
Tax Fees <sup>(3)</sup>	2,300	2,650
All Other Fees <sup>(4)</sup>	NIL	NIL
<b>TOTAL:</b>	<b>19,905</b>	<b>17,988</b>

#### **Notes:**

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

### **Exemption**

The Company has relied upon the exemption provided in section 6.1 of NI 52-110, which exempts a "venture issuer" from the requirement to comply with the restrictions on the composition of its Audit Committee.

## **SCHEDULE “C”**

### **PURANIUM ENERGY LTD. (the “Company”)**

#### **AUDIT COMMITTEE CHARTER**

##### **I. MANDATE**

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Puranium Energy Ltd. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company’s independent external auditor (the “**Auditor**”); and
4. The performance of the Company’s internal accounting procedures and Auditor.

##### **II. STRUCTURE AND OPERATIONS**

###### **A. Composition**

The Committee shall be comprised of three or more members.

###### **B. Qualifications**

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement.

###### **C. Appointment and Removal**

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

###### **D. Chair**

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all Meetings of the Committee.

###### **E. Meetings**

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each Meeting of the Committee concerning the Company’s annual financial statements and, if the Committee feels it is necessary or appropriate, at every other Meeting. On request by the Auditor, the Chair shall call a Meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the Shareholders of the Company.

At each Meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its Meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its Meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

### **III. DUTIES**

#### **A. Introduction**

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

#### **B. Powers and Responsibilities**

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

##### *Independence of Auditor*

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external Auditor of the Company.

##### *Performance and Completion by Auditor of its Work*

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.

2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's Shareholders of the existing, Auditor for the purpose of preparing or issuing an Auditor's report or performing other audit, review or attest services for the Company.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

*Internal Financial Controls and Operations of the Company*

1. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

*Preparation of Financial Statements*

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
  - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal Auditor or management.
  - (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.
  - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

*Public Disclosure by the Company*

1. Review the Company's annual and interim financial statements, management's discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

*Manner of Carrying Out its Mandate*

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but 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.
2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a Meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal Auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

**C. Limitation of Audit Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor