

TEMAS RESOURCES CORP.

**Annual and Special Meeting
to be held on August 25, 2020**

**Notice of Annual and Special Meeting
and
Information Circular**

July 24, 2020

TEMAS RESOURCES CORP.
890 - 1140 West Pender Street
Vancouver, British Columbia
V6E 4G1

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the shareholders of Temas Resources Corp. (the “**Company**”) will be held electronically by teleconference on August 25, 2020 at 10:00 a.m. (Vancouver time). **Shareholders will not be able to attend the Meeting in person.**

To participate or submit questions during the Meeting, please refer to the following dial-in instructions:

Canada/USA: 1-604-449-1868

The Meeting is being held for the following purposes:

1. to receive and consider the financial statements for the year ended December 31, 2019, together with the auditor’s report thereon;
2. to set the number of directors at three for the ensuing year;
3. to elect directors for the ensuing year;
4. to appoint De Visser Gray LLP, Chartered Accountants, as auditor of the Company for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditor;
5. to consider, and, if deemed appropriate, to pass with or without variation an ordinary resolution confirming the existing stock option plan of the Company, as more particularly described in the accompanying management information circular of the Company dated July 24, 2020 (the “**Circular**”);
6. to consider, and if thought advisable, to pass, with or without variation, an ordinary resolution (the “**Transaction Resolution**”) authorizing and approving the transaction (the “**Transaction**”) contemplated in the purchase agreement dated June 18, 2020 among the Company, CloudBreak Discovery Corp. and Cronin Services Ltd.; and
7. to transact such other business as may properly be put before the Meeting.

Specific details of the matters to be put before the Meeting are set forth in the Circular. **It is the intention of the persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote FOR the Transaction Resolution and all other matters to be considered at the Meeting**

The Company’s board of directors (the “**Board**”) has fixed July 21, 2020 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Circular.

If you are a registered shareholder of the Company, please complete, date and sign the accompanying form of proxy and choose one of the following options to submit your proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent by 10:00 a.m. August 21, 2020 by regular mail at Odyssey Trust Proxy Department, 25 Adelaide St East Unit 1717, Toronto, Ontario, M5C 3A1; or
- (b) use the internet through the website of the Company's transfer agent at <http://odysseytrust.com/Transfer-Agent/Login>. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your common shares not being eligible to be voted by proxy at the Meeting.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and is expressly incorporated as a part of, this Notice of Meeting.

DATED at Vancouver, British Columbia, the 24th day of July, 2020.

ON BEHALF OF THE BOARD

(signed) "*Kyler Hardy*"

Kyler Hardy
Chief Executive Officer

TEMAS RESOURCES CORP.
890 - 1140 West Pender Street
Vancouver, British Columbia
V6E 4G1

INFORMATION CIRCULAR

(as at July 21, 2020 except as otherwise indicated)

To mitigate risks related to the rapidly evolving global COVID-19 public health emergency to shareholders, and the Company's employees, communities and other stakeholders, and based on government recommendations and mandates to avoid large gatherings, the Meeting will be held electronically by teleconference.

Canada/USA: 1-604-449-1868

Shareholders will not be able to attend the Meeting in person.

The teleconference will allow shareholders to listen to the Meeting and ask questions regardless of their geographic location or the particular circumstances that they may be facing as a result of COVID-19. The Company strongly encourages shareholders to vote in advance of the Meeting in accordance with the instructions provided in this Circular.

The Company is monitoring developments regarding COVID-19. In the event the Company decides any change to the date, time, location or format of the Meeting is necessary or appropriate due to difficulties arising from COVID-19, the Company will promptly notify shareholders of the change by issuing a news release, a copy of which will be available on SEDAR at www.sedar.com.

SOLICITATION OF PROXIES

This information circular (the "**Circular**") is provided in connection with the solicitation of proxies by the Management of Temas Resources Corp. (the "**Company**"). The form of proxy which accompanies this Circular (the "**Proxy**") is for use at the annual and special meeting of the shareholders of the Company to be held on August 25, 2020 (the "**Meeting**"), at the time and place set out in the accompanying notice of Meeting (the "**Notice of Meeting**"). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. The completed Proxy should be delivered to Odyssey Trust Company ("**Odyssey**") by 10:00 a.m. (local time in Vancouver, British Columbia) on August 21, 2020 or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above; or
- (b) signing and dating a written notice of revocation and delivering it to Odyssey Trust Company, or by transmitting a revocation by telephonic or electronic means, to Odyssey Trust Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the "Management") knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder's name. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). 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 United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers

now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your common shares.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Pacific time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Odyssey Trust Company, unless specifically stated otherwise.

Financial Statements

The audited financial statements of the Company for the year ended December 31, 2019, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 36,313,521 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at July 21, 2020 are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company.

BUSINESS OF THE MEETING

1. Financial Statements

The shareholders will receive the financial statements for the year ended December 31, 2019, together with the auditor's report thereon.

2. Set Number of Directors

At the Meeting, shareholders will be asked and, if deemed advisable, to pass, with or without variation an ordinary resolution fixing the number of directors at three for the ensuing year.

Approval of this resolution will be obtained if a majority of the votes cast are in favour thereof.

The management representatives named in the attached form of proxy intend (the "Management Nominees") to vote in favour of this resolution, unless a shareholder specifies in the proxy that his or her shares are to be voted against the resolution.

3. Election of Directors

At the Meeting, shareholders will be asked to elect three directors to the Board. Each director will hold office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Company's articles. On any ballot that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled for the proposed director nominees whose names are set forth below (the "Nominees"), unless the shareholder who has given such proxy has directed that

the shares be otherwise voted or withheld from voting in respect of the election of directors. 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, the persons named in the enclosed form of proxy reserve the right to vote for other Nominees at their discretion.

The following table sets out the name of each of the Nominees, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Company and the approximate number of shares that each has advised are beneficially owned or subject to his or her control or direction (directly or indirectly):

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Kyler Hardy ⁽²⁾ British Columbia, Canada <i>CEO and Director</i>	President of Cronin Capital Corp. from January 2007 to present	January 10, 2020	1,570,000
Konstantin Lichtenwald ⁽²⁾ British Columbia, Canada <i>Director</i>	Corporate Finance Advisor of Lichtenwald Professional Corp.	February 13, 2020	1,000
Michael Rowley ⁽²⁾ British Columbia, Canada <i>Director</i>	President and CEO of Group Ten Metals Inc. (TSXV: PGE)	March 25, 2020	Nil

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

The Management Nominees intend to vote the shares represented by such proxy in favour of the election of the Nominees set forth in this Circular unless a shareholder specifies in the proxy that his or her shares are to be withheld from voting in respect of such resolution.

4. Appointment of Auditors

The directors propose to nominate De Visser Gray LLP, the present auditors, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders. De Visser Gray LLP were first appointed auditors of the Company on February 19, 2020.

In the past, the directors have negotiated with the auditors of the Company on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated in the past

with the auditors of the Company were reasonable and in the circumstances would be comparable to fees charged by other auditors providing similar services.

In order to appoint De Visser Gray LLP as auditors of the Company to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

The Management Nominees intend to vote in favour of the appointment of De Visser Gray LLP as auditors of the Company and in favour of authorizing the directors to fix the remuneration of the auditors, unless a shareholder specifies in the proxy that his or her shares are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration

5. Confirmation of the Stock Option Plan

The Board approved the Stock Option Plan on March 26, 2020. Up to 10% of the total number of shares issued and outstanding from time to time are currently reserved for issuance upon the exercise of stock options granted pursuant to the Stock Option Plan. Stock options to purchase an aggregate of 3,530,000 shares are currently outstanding under the Stock Option Plan as of the date of this Circular. See “Summary of Stock Option Plan” below.

Shareholders will be asked at the Meeting to consider and, if thought fit, authorize the Stock Option Resolution substantially in the form below to confirm and ratify the Option Plan. A copy of the Stock Option Plan can be obtained by any securityholder of the Company free of charge by contacting the Company, at 890 - 1140 West Pender Street, Vancouver, British Columbia V6E 4G1.

“BE IT RESOLVED THAT:

1. the stock option plan (the “**Stock Option Plan**”) of Teras Resources Corp. (the “**Company**”), dated March 24, 2020, and the reservation for issuance thereunder of up to 10% of the aggregate number of common shares of the Company as are issued and outstanding from time to time is hereby approved, ratified and confirmed;
2. the Stock Option Plan be authorized, approved and confirmed as the stock option plan of the Company, subject to any limitations imposed by applicable regulations, laws, rules and policies; and
3. any officer or director of the Company is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as in the opinion of such officer or director may be necessary or desirable to give effect to this resolution.”

If the Stock Option Resolution is approved, the Stock Option Plan will remain in force and all stock options granted under the Stock Option Plan to date will remain outstanding, in each case without any amendment to their terms.

Approval of the Stock Option Resolution will be obtained if a majority of the votes cast are in favour thereof.

The Management Nominees intend to vote in favour of the Stock Option Resolution, unless a shareholder specifies in the proxy that his or her shares are to be voted against the Stock Option Resolution.

6. Approval of the Transaction

Since the Transaction is a related-party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-10”), the Transaction Resolution will need to be approved by a simple majority of the disinterested shareholders voting at the Meeting in accordance with the requirements of MI 61-101, with the votes attached to the shares beneficially held by related parties excluded from the vote. See “The Transaction” below.

Accordingly, shareholders will be asked at the Meeting to consider and, if thought fit, authorize the Transaction Resolution substantially in the form below to approve the Transaction.

“BE IT RESOLVED THAT:

1. the Transaction, whereby the Company will acquire the La Blache Property, all as more particularly described and set forth in the Circular, is hereby authorized and approved;
2. the Company is authorized to perform its obligations under the Purchase Agreement, as more particularly described in the Circular;
3. notwithstanding that these resolutions have been duly passed by the shareholders, the board of directors of the Company may amend or decide not to proceed with the Transaction or revoke these resolutions at any time prior to completion of the Transaction without further approval of the shareholders; and
4. any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents, applications, declarations and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, 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.”

Pursuant to the requirements of MI 61-101, the foregoing Transaction Resolution must be approved by the affirmative vote of a majority of the votes cast by the Minority Shareholders present or represented by proxy at the Meeting. “**Minority Shareholders**” means shareholders whose votes may be included in the determination of minority approval of the Transaction Resolution, being shareholders other than (a) any “interested party” to the Transaction within the meaning of MI 61-101; (b) any related party to such interested party within the meaning of MI 61-101 (subject to the exceptions set out therein); and (c) any person that is a joint actor with any of the foregoing for the purposes of MI 61-101 (collectively, the “**Excluded Parties**”).

For the purposes of the Transaction Resolution, Kyler Hardy and David Robinson are considered Excluded Parties. Accordingly, votes attaching to an aggregate of 2,220,000 shares will be excluded from determining whether or not the Transaction Resolution is approved as an ordinary resolution of the disinterested shareholders.

The independent members of the Board believe that the Transaction Resolution is in the best interests of the Company and therefore recommend that shareholders vote in favour of this resolution. Unless otherwise indicated, the Management Nominees intend to vote FOR the Transaction Resolution.

THE TRANSACTION

Background

On June 18, 2020, the Company entered into a purchase agreement (the “**Purchase Agreement**”) with CloudBreak Discovery Corp. (“**CloudBreak**”) and Cronin Services Ltd. (“**Cronin**”, and together with CloudBreak, the “**Vendors**”) to acquire a 100% interest in the La Blache property (the “**La Blache Property**”) in Cote-Nord, Quebec (the “**Transaction**”).

The La Blache Property is part of the La Blache Anorthosite Complex and hosts the Farrell-Taylor magnetite-ilmenite deposit. The deposit starts at surface extending to 600m below surface, with an 1150m strike extent, oriented roughly ENE and has an average thickness of 50m and a minimum thickness of 15m.

The La Blache Property is comprised of 48 claims covering 2,653.25ha of ground ~100km north of the community of Baie-Comeau, along Quebec’s north shore region, situated near Hydro-Quebec’s Manic 3 Hydro Reservoir. The La Blache Property is part of the Grenville Geological Province, which extends for more than 2,000 kilometers and skirts the North Shore of the St-Lawrence River. Its width varies from 300 kilometers to 600 kilometers and forms the south east segment of the Canadian Shield. The Archean rocks of the Superior Province and the Proterozoic rocks of the Otish Basin are separated from the Grenville Province by the Grenville Front. The tectonic fabric of the Grenville is predominantly northwest-southwest trending. The bedrock of the property is the east-west trending La Blache Anorthosite Complex and late crosscutting gabbro-norites, gabbros, diabase, mangerites, granites and pegmatites. The La Blache Anorthosite Complex is an almost ellipsoid batholith of 35 kilometers by 20 kilometers within intrusive rocks that extends for 100 kilometers by up to 20 kilometers.

The La Blache Property was originally discovered in the 1950’s with exploration being carried out through the years with the most advanced study being the 2012 report from SGS. Drilling coverage on the property has been conducted to a spacing appropriate for inferred resource estimation, preliminary metallurgical work has also been conducted resulting in high recovery of Fe, Ti and V. These initial steps are seen as positive progress, but additional work will need to be conducted to further define the project’s potential. Tamas is looking forward to advancing the La Blache Property and the region through appropriate exploration and engineering studies.

Pursuant to the Transaction, the Company will acquire a 100% interest in the La Blache Property by issuing an aggregate of 20,000,000 common shares (the “**Payment Shares**”) and paying \$60,000 to the Vendors and deliver a net smelter returns royalty (the “**Royalty**”) of 2%, subject to the right of the Company to repurchase one-half of the Royalty (being 1%) for \$2,500,000 at any time.

The Payment Shares will be subject to pooling restrictions as follows: 25% will be released from pool on the date that is six months after the closing of the Transaction, and 75% of the Payment Shares will be released from pool on the date that is 12 months after such date.

The Transaction is subject to standard closing conditions, including receipt of CSE approval and shareholder approval as described below.

The Transaction constitutes a “related-party transaction” under MI 61-101. Pursuant to MI 61-101, the Company is required to obtain prior approval of the Transaction by a simple majority of the Minority Shareholders at the Meeting. See “The Transaction – Transaction Approvals – Shareholder Approval”.

Recommendation of the Board

The independent members of the Board unanimously (with Mr. Hardy abstaining as he is an interested director), based on the factors referred to below: (i) resolved that the Transaction is in the best interests of the Company and its shareholders; (ii) approved the Purchase Agreement and all other documents and writings as may be necessary to complete the Transaction; and (iii) resolved to recommend that shareholders vote in favour of the Transaction at the Meeting.

The conclusions and recommendations of the Board are based on the following factors, among others:

- the La Blache Property fits with the Company's strategy of acquiring promising iron ore, titanium and vanadium mineral claims in stable mining jurisdictions;
- the La Blache Property resides in the stable, mining friendly jurisdiction of Quebec, Canada;
- past explorational diamond drilling and metallurgical work to date shows that the La Blache Property contains recoverable iron ore, titanium, and vanadium oxide resources;
- the La Blache Property is situated close to existing infrastructure (logging roads, port, and rail);
- The deposit is amicable to open pit mining;
- The project has a positive PEA;
- The existing resource is substantial (>100Mt inferred @ 5.1% TiO₂Eq cut-off) and contains significant grade in both Fe (41.76%) and TiO₂ (18.0%); and
- Project is only ~600km from Rio Tinto's Lac Tio mine (In production since 1950 with 50 years of minable reserves currently remaining).

The foregoing discussion of the information and factors reviewed by the Board is not, and is not intended to be, exhaustive. In view of the wide variety of factors considered by the Board, the Board did not find it practical to, and therefore did not, quantify or otherwise assign relative weight to specific factors in making its determination. The conclusions and recommendations of the Board were made after consideration of all of the above-noted factors in light of the collective knowledge of the members thereof of the operations, financial condition and prospects of the Company and was also based on the advice of its legal and financial advisors.

Shareholders should consider the Transaction carefully and come to their own conclusions as to whether or not to vote in favour of the Transaction Resolution.

Transaction Approvals

Shareholder Approval

The Transaction constitutes a "related-party transaction" under MI 61-101. Pursuant to MI 61-101, the Company is required to obtain prior approval of the Transaction by a majority of the Minority Shareholders.

CSE Approval

The Company will be seeking approval from the CSE for the Transaction. Conditions include disinterested Shareholder approval and certain other customary conditions.

Formal Valuation Exemption

The Transaction constitutes a “related-party transaction” under MI 61-101, which in the absence of a valuation exemption would require the Company to obtain a formal valuation of the La Blache Property by independent qualified valuers. However, the Transaction is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Section 5.5(b) of such instrument, as none of the Company’s securities are listed or quoted on a “specified market”, namely, the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets plc.

Prior Appraisals

There are no “prior valuations” (as defined in MI 61-101) in respect of the La Blache Property that have been made in the 24 months prior to the date hereof and the existence of which is known, after reasonable inquiry, to the Company or to any directors or senior officers of the Company.

CEASE TRADE ORDERS OR BANKRUPTCIES

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

During the year ended December 31, 2019, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”) has been omitted pursuant to Section 1.3(8) of Form 51-102F6.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and each of the Company’s three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the Company’s most recently completed financial year ended December 31, 2019 and whose total salary and bonus exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company’s most recently completed financial year.

Proposed Executive Compensation

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors.

With a view to minimizing its cash expenditures not directed at the exploration of its property, the Company does not intend to pay compensation to management for the next 12 months, although this policy will be re-evaluated periodically. Instead, the Company expects to grant incentive stock options to the Named Executive Officers, under the Stock Option Plan set forth below.

Option-Based Awards

Stock option grants will be made on the basis of the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options will be to assist the Company in compensating, attracting, retaining and motivating its officers and to closely align the personal interests of such persons to the interests of the shareholders.

The recipients of incentive stock options and the terms of the stock options granted will be determined from time to time by the Board. The exercise price of the stock options granted will be generally determined by the market price at the time of grant.

Defined Benefit Plan

The Company does not have any defined benefit or actuarial plan.

Termination and Change of Control Benefits

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities.

Director Compensation

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Option Plans and other incentive plans

The Company has in effect the Stock Option Plan approved by the directors of the Company on March 26, 2020.

The terms of the Stock Option Plan, which is qualified entirely by the provisions of the Stock Option Plan, are provided below.

The Stock Option Plan is a rolling stock option plan which sets the number of options available for grant by the Company at an amount equal to 10% of the Company issued and outstanding shares from time to time. The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with those of the Company's shareholders. Options are exercisable over periods of up to 10 years as determined by the Board and at exercise prices as determined by the Board, which will not have an exercise price lower than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. The maximum number of shares which may be issued pursuant to options granted under the Stock Option Plan will be 10% of the issued and outstanding Shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares in any 12 month period or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan contains no vesting requirements, other than for consultants performing investor relations activities but permits the Board to specify a vesting schedule in its discretion.

Employment, consulting and management agreements

As at the year ended December 31, 2019, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director 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 NEOs or directors responsibilities.

Oversight and description of director and named executive officer compensation

The Board of Directors (the “**Board**”) does not have in place a compensation committee. All tasks relating to the development and assessment of the compensation paid to both the NEOs and directors is performed by members of the Board. Compensation is reviewed on an annual basis. The Company’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility.

The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting and retaining experienced personnel. In general, a NEO’s compensation is comprised of salary, wages or contractor payments and stock option grants.

Salary, wages or contractor payments for each NEO are based on the position held, the related responsibilities and functions performed by the NEO and salary ranges paid to executives at similar companies.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

At this time the Board has not established any performance criteria or goals

There were no significant changes to the Company’s compensation policies during or after the most recently completed financial year that could or would have affected the Named Executive Officers compensation.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	Nil	Nil	Nil
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
Total	N/A	N/A	N/A

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

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

Except as otherwise disclosed in this Circular, none of the directors or executive officers of the Company, no nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of special business to be acted upon at the Meeting other than the Stock Option Resolution and the Transaction Resolution.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

AUDIT COMMITTEE

The Company is required to have an audit committee (the "Audit Committee") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

Composition of Audit Committee and Independence

The Company's current Audit Committee consists of Kyler Hardy, Michael Rowley and Konstantin Lichtenwald.

National Instrument 52-110 - *Audit Committees* ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Of the Company's current Audit Committee members, Messrs. Rowley and Lichtenwald are "independent" within the meaning of NI 52-110. Mr. Hardy is not "independent" as he is also the CEO of the Company.

NI 52-110 provides that an individual is "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's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Kyler Hardy – Mr. Hardy is a natural resources focused entrepreneur, who has been involved in the sector for over fourteen years with both private and public businesses. During his career he has gained a wide array of experience including diamond driller, project manager, exploration service contractor, business consultant, public Company management and private equity investor. He has built businesses from early stage start-ups to advanced operating companies in several sectors. He was a founder and former chief executive officer of a large geosciences and logistics management business specializing in grassroots to brownfields exploration and development. Mr. Hardy is experienced in project generation, exploration management, logistics, raising capital, corporate development and developing strategic alliances and partnerships.

Michael Rowley – Michael Rowley has over 25 years executive experience in the exploration, mineral testing, and mine environmental industries, including capital markets and operations. Mr. Rowley is President and CEO of Group Ten Metals and is active in various other public exploration companies including Bravada Gold and Granite Creek Copper.

Konstantin Lichtenwald – Mr. Lichtenwald specializes in providing corporate finance, valuation, taxation, financial reporting, consulting and other accounting services to both small businesses, as well as public commodity resource companies. He also assists in many aspects of clients' administration, financing and other activities. Mr. Lichtenwald also worked at Ernst & Young GmbH, Germany, in the assurance department. He earned his bachelor of business administration from Pforzheim University, Germany, and holds the professional designation of chartered professional accountant (CPA, CGA), and he is a member of Chartered Professional Accountants

of British Columbia and Canada. Mr. Lichtenwald has had extensive experience as a controller and CFO of numerous publicly traded and private corporations in several industries.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

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

- (d) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to De Visser Gray LLP, Chartered Accountants, for services rendered in the last two fiscal years:

	2019	2018
Audit Fees ⁽¹⁾	\$5,000	Nil
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided 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 the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include 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 the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

Board of Directors

Management is nominating three individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Kyler Hardy, who is the CEO of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and the chairperson of the Audit Committee. The Board establishes and periodically reviews and updates the Audit Committee mandates, duties and responsibilities of the Audit Committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the “**Act**”), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees.

Directorships

The following directors of the Company are also directors of other reporting issuers as stated:

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
Kyler Hardy	Granite Creek Copper Ltd.	TSXV	Director	January 2014 to May 2016
	Altamira Gold Corp.	TSXV	Director, President and CEO, Chairman	Nov. 2014 to June 2017
	Electra Stone Ltd.	TSXV	Director	Dec. 2014 to Dec. 2016
	Monterey Minerals Inc.	CSE	Director	April 2018 to Dec. 2019
	Imperial X Plc	NEX	Chairman, CEO	July 2019 to Present
	Graycliff Exploration Ltd.	CSE	Director	Mar. 2018 to Present
Konstantin Lichtenwald	Biocure Technology Inc	CSE	CFO and Director	March 2018 to Present
	Blackhawk Resources Corp	CSE	CFO	December 2019 to Present
	A-Labs Capital Corp I	TSXV	Director	September 2019 to Present
	A-Labs Capital Corp II	TSXV	Director	December 2019 to Present
Michael Rowley	Group Ten Metals Inc.	TSXV	Director and CEO	September 2007 to Present
	Granite Creek Copper Ltd.	TSXV	Director and CFO	January 2014 to Present
	Bravada Gold	TSXV	Director	January 2011 to Present

Orientation and Continuing Education

The Board's practice is to recruit for the Board only persons with extensive experience in the mining and mining exploration business and in public company matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Board has adopted a Corporate Conduct and Code of Ethics Policy (the "Code") to be followed by the Company's directors, officers, employees and principal consultants and those of its subsidiaries. The Code is also to be followed, where appropriate, by the Company's agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid

conflict of interest, protect confidential information and comply with the applicable government laws and securities rules and regulations.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2019, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at 890 - 1140 West Pender Street, Vancouver, British Columbia V6E 4G1.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 24th day of July, 2020.

ON BEHALF OF THE BOARD

(signed) "*Kyler Hardy*"

Kyler Hardy
Chief Executive Officer

TEMAS RESOURCES CORP.

Schedule "A"
Audit Committee Charter

(SEE ATTACHED)

TEMAS RESOURCES CORP.

AUDIT COMMITTEE CHARTER

**ARTICLE 1
PURPOSE**

1.1 The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Temas Resources Corp. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The overall purpose of the Committee is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each member of the Committee will obtain an understanding of the responsibilities of the Committee membership as well as the Company’s business, its operations and related risks.

**ARTICLE 2
COMPOSITION, PROCEDURE, AND ORGANIZATION**

2.1 The Committee shall consist of at least three members of the Board, the majority of whom are not officers or employees of the Company or of an affiliate of the Company.

2.2 All members of the Committee shall be financially literate as defined in NI 52-110 – *Audit Committees* or any successor policy.

2.3 The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

2.4 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

2.5 The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

2.6 The Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

2.7 Meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet at least four times annually at such times and at such locations as maybe requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

2.8 The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ARTICLE 3 ROLES AND RESPONSIBILITIES

3.1 The overall duties and responsibilities of the Committee shall be as follows:

- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;
- (b) to establish and maintain a direct line of communication with the Company's external auditors and assess their performance;
- (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
- (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.

3.2 The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (c) review the audit plan of the external auditors prior to the commencement of the audit;
- (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;

- (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
- (viii) the non-audit services provided by the external auditors;
- (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

3.3 The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.

3.4 The Committee is also charged with the responsibility to:

- (a) review and approve the Company's annual and interim financial statements and related Management's Discussion & Analysis ("MD&A"), including the impact of unusual items and changes in accounting principles and estimates;
- (b) review and approve the financial sections of any of the following disclosed documents prepared by the Company:
 - (i) the annual report to shareholders;
 - (ii) the annual information form;
 - (iii) annual MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's consolidated financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.

3.5 Without limiting the generality of anything in this Charter, the Committee has the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Committee, and
- (c) to communicate directly with the Auditor.

ARTICLE 4 EFFECTIVE DATE

4.1 This Charter was implemented by the Board on March 28, 2020.