



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL AND SPECIAL MEETING

OF SHAREHOLDERS

OF

MANGANESE X ENERGY CORP.

TO BE HELD ON

JUNE 1, 2023

DATED: APRIL 10, 2023



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD JUNE 1, 2023**

NOTICE IS HEREBY GIVEN that the **Annual General and Special Meeting** (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of **MANGANESE X ENERGY CORP.** (the “**Company**”) will be held by web/teleconference on **Thursday, June 1, 2023, at 7.30 a.m. (Pacific Time) / 10:30 a.m. (Eastern Time)** for the following purposes:

1. to receive and consider the audited financial statements of the Company, together with the notes thereto and the auditor’s reports thereon, for the financial years ended March 31, 2022, and March 31, 2021;
2. to fix the number of directors of the Company at five (5);
3. to elect directors of the Company to hold office until the next annual meeting of shareholders, as more particularly described in the Circular;
4. to appoint Wasserman Ramsay, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditor;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the adoption of a new security-based compensation plan of the Company (the “**New Security-Based Compensation Plan Resolution**”), as more particularly described in the Circular;
6. to consider and if deemed advisable, to pass with or without variation, an ordinary resolution to approve the cancellation of the Company’s existing form of Articles and the adoption of a new form of Articles (the “**New Articles Resolution**”) as more particularly described in the Circular; and
7. to transact such further and other business as may be properly brought before the Meeting and any adjournment thereof.

The accompanying Information Circular (the “**Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Shareholders are advised to review the Circular before voting.

Although no other matters are contemplated, the Meeting may also consider the transaction of such other business, and any permitted amendment to or variation of any matter identified in this Notice, as may properly come before the Meeting or any adjournment thereof. Accompanying this Notice is a (i) form of proxy or voting instruction form, and (ii) request for financial statements form.

The board of directors of the Company (the “**Board**”) has fixed the close of business on April 10, 2023, as the record date for the determination of the Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. Registered shareholders and duly appointed proxyholders wishing to attend, ask questions and vote at the Meeting should follow the teleconference registration process below.

WEB/TELECONFERENCE REGISTRATION

Registered Shareholders and proxyholders who have completed the Company's web/teleconference registration process will be able to attend the Meeting via web/teleconference. Non-registered Shareholders who have appointed themselves as proxyholder through their intermediary will also be permitted to attend the Meeting via web/teleconference. Non-registered Shareholders who have not duly appointed themselves as proxyholder will not be permitted to attend the Meeting. This procedure is in place to ensure that the Company and its transfer agent can verify the identity of attending Shareholders. The Company and its transfer agent do not have a full record of the Company's non-registered Shareholders and, as a result, may have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder. Please refer to the "Appointment of Proxy" and "Advice to Non-Registered Shareholders" sections of the Circular (as defined herein) for additional information.

WEB/TELECONFERENCE REGISTRATION PROCESS

Advance registration for the Meeting is required by emailing the following information to the Corporate Secretary of the Company at janet@keystonecorp.ca:

- (a) the name of the Shareholder in which common shares of the Company are held; and
- (b) an email address and/or telephone number at which a Company representative may contact such Shareholder in order to provide the web/teleconference number, Meeting ID and passcode, or request additional information, as necessary.

The web/teleconference number will be provided only to Shareholders and proxyholders who complete the registration process.

In order to streamline the Meeting process, the Company encourages Shareholders to vote in advance of the Meeting using the form of proxy or voting instruction form provided with the Circular and submit votes no later than May 30, 2023, at 7:30 a.m. (Pacific Time) / 10:30 a.m. (Eastern Time), the cut-off time for the deposit of proxies prior to the Meeting, or such earlier time as may be directed in the form.

DATED at Vancouver, British Columbia, this 10th day of **April, 2023**.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Martin Kepman
Martin Kepman
Chief Executive Officer, President, and Director



MANAGEMENT INFORMATION CIRCULAR
As at April 10, 2023

SECTION 1 - INTRODUCTION

This management information circular (the “**Circular**”) accompanies the notice of annual general and special meeting (the “**Notice**”) and is furnished to the holders (the “**Shareholders**” and each, a “**Shareholder**”) of common shares (“**Shares**”) in the capital of Manganese X Energy Corp. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held on **Thursday, June 1, 2023, at 7.30 a.m. (Pacific Time) / 10:30 a.m. (Eastern Time)** by web/teleconference, or any adjournment thereof.

DATE AND CURRENCY

The information contained in this Circular is as of **April 10, 2023**. Unless otherwise stated, all amounts herein are in Canadian dollars.

WEB/TELECONFERENCE MEETING

The Meeting will be held by way of web/teleconference. Shareholders will have an equal opportunity to attend the Meeting regardless of geographic location.

Registered Shareholders and proxyholders who have completed the Company’s web/teleconference registration process will be able to attend the Meeting. Non-Registered Shareholders who have appointed themselves as proxyholder through their intermediary will also be permitted to attend the Meeting via web/teleconference. Non-registered Shareholders who have not duly appointed themselves as proxyholder will not be permitted to attend the Meeting. This procedure is in place to ensure that the Company and its transfer agent can verify the identity of attending Shareholders. The Company and its transfer agent do not have a full record of the Company’s non-registered Shareholders and, as a result, may have no knowledge of a person’s shareholdings or entitlement to vote unless they appoint themselves as proxyholder. See “*Section 2 – Proxies and Voting Rights – Appointment of Proxy*” and “*Section 2 – Proxies and Voting Rights – Advice to Non-Registered Shareholders*”.

Advance registration for the Meeting is required by emailing the following information to the Corporate Secretary of the Company at janet@keystonecorp.ca:

- (a) the name of the Shareholder in which Shares are held; and**
- (b) an email address and/or telephone number at which a Company representative may contact such Shareholder in order to provide the teleconference number, Meeting ID and passcode, or request additional information, as necessary.**

The web/teleconference details will be provided only to Shareholders and proxyholders who complete the advance registration process.

NOTICE-AND-ACCESS

The Company has chosen to deliver the Notice of Meeting of its Shareholders and this Circular (the “**Proxy Materials**”) using Notice-and-Access provisions, which govern the delivery of proxy-related materials to Shareholders utilizing the internet. Notice-and-Access provisions are found in section 9.1.1 of National Instrument 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”) for delivery to registered Shareholders and in section

2.7.1 of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”) for delivery to beneficial Shareholders (together, “**Notice-and-Access Provisions**”).

Notice-and-Access Provisions allow the Company to choose to deliver Proxy Materials to Shareholders by posting them on a non-SEDAR website (usually the reporting issuer’s website or the website of their transfer agent), provided that the conditions of NI 51-102 and NI 54-101 are met, rather than by printing and mailing the Proxy Materials.

Use of Notice-and-Access Provisions reduces paper waste and the Company’s printing and mailing costs. Under Notice-and-Access Provisions the Company must send a Notice-and-Access Notice and form of proxy to each Shareholder, including registered and beneficial Shareholders, indicating that the Proxy Materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of the Proxy Materials, including this Circular, from the Company. This Circular has been posted in full, together with the Notice of Annual General and Special Meeting, the form of proxy, and the Financial Statements Request Form, on the Company’s website at <https://www.manganesexenergycorp.com/investors/information-circular/> and on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) online at www.sedar.com under the Company’s profile.

The Circular contains details of matters to be considered at the Meeting. **Please review the Circular before voting.**

How to Obtain Paper Copies of the Circular

Shareholders may request additional information relating to Notice-and-Access Provisions or a paper copy of the Circular be mailed to them at no cost by contacting the Company’s Corporate Secretary, via email to janet@keystonecorp.ca or by telephone at 604-612-2111.

If you request a paper copy of the Proxy Materials, you will not receive a new form of proxy or Voting Instruction Form (“**VIF**”). Therefore, you should keep the original form sent to you in order to vote your Shares.

To allow adequate time for a Shareholder to receive and review a paper copy of the Circular and then to submit their vote by **7:30 a.m. (Pacific Time) / 10:30 a.m. (Eastern Time)** on Tuesday, May 30, 2023, a Shareholder requesting a paper copy of the Circular as described above, should ensure such request is received by the Company’s Corporate Secretary, no later than 5:00 p.m. (Pacific Time) on Monday, May 22, 2023. Under Notice and-Access Provisions, Proxy Materials must be available for viewing for one year from the date of posting and a paper copy of the Proxy Materials can be requested at any time during this period. To obtain a paper copy of the Circular after the Meeting date, please contact the Company.

The Notice-and-Access Notice is being provided to Shareholders by the Company, along with the applicable voting document: a form of proxy in the case of registered Shareholders, or a VIF in the case of beneficial (non-registered) holders. Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Proxy Materials.

SECTION 2 – PROXIES AND VOTING RIGHTS

MANAGEMENT SOLICITATION

The solicitation of proxies by the management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals’ authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out-of-pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must

not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

APPOINTMENT OF PROXY

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed on the enclosed form of proxy are officers and/or directors of the Company (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person or company to attend and act for or on behalf of that Shareholder at the Meeting, other than the Management Proxyholders named in the enclosed form of proxy. A proxyholder need not be a Shareholder.

To exercise the right, the Shareholder may do so by striking out the printed names and inserting the name of such other person and, if desired, an alternate to such person, in the blank space provided in the form of proxy. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instruction to the nominee on how the Shareholder's Shares should be voted. The nominee should bring personal identification to the Meeting.

Those Shareholders desiring to be represented at the Meeting by proxy must deposit their respective forms of proxy with the Company's registrar and transfer agent, Capital Transfer Agency by: (a) mail addressed to Capital Transfer Agency, Suite 920, 390 Bay Street, Toronto, Ontario, Canada M5H 2Y2, Attention: Proxy Department; (b) hand delivery to Capital Transfer Agency, Suite 920, 390 Bay Street, Toronto, Ontario, Canada M5H 2Y2; (c) facsimile to 1-416-350-5008 (local and international); or (d) electronically by following the instructions in the form of proxy. If you vote through the internet, you may also appoint another person to be your proxyholder. Please go to <https://linkstar.capitaltransferagency.com/pxlogin> and follow the online voting instructions. You will require your 12-digit control number found on your form of proxy.

VOTING BY PROXY AND EXERCISE OF DISCRETION BY MANAGEMENT PROXYHOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. As of the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

NON-REGISTERED HOLDERS

Only Shareholders whose names appear on the records of the Company as the registered holders of Shares or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" Shareholders because the Shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the Shares; bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or clearing agency such as the Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your Shares through a broker or otherwise deposited your Shares with your broker, you are likely a non-registered holder.

In accordance with relevant securities laws and regulations, the Company has distributed copies of the form of proxy to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order to ensure that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the proxy form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as “non-objecting beneficial owners” (“**NOBOs**”). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as “objecting beneficial owners” (“**OBOs**”). Hereinafter, NOBOs and OBOs will collectively be referred to as “**Non-Registered Shareholders**”.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information in this section is of significant importance to many Shareholders, as a substantial number do not hold their Shares in their own name. Non-Registered Shareholders are advised that only proxies from Shareholders of record can be recognized and voted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder’s name on the records of the Company. Such 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).

Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, brokers/nominees are prohibited from voting Shares for their clients. The directors and officers of the Company do not know for whose benefit the Shares registered in the name of CDS & Co. are held, and directors and officers of the Company do not necessarily know for whose benefit the Shares registered in the name of any broker or agent are held. Non-Registered Shareholders who complete and return a form of proxy must indicate thereon the person (usually a brokerage house) who holds their Shares as a registered Shareholder.

Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholders’ meetings. Every broker and other intermediary has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied by brokers and other intermediaries to Non-Registered Shareholders may be very similar and, in some cases, identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Shareholder.

In Canada, the vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms 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 Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted.**

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Non-Registered Shareholders should contact their broker or other intermediary through which they hold Shares if they have any questions regarding the voting of such Shares.

REVOCAION OF PROXIES

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing (or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized), deposited at Capital Transfer Agency, registrar and transfer agent for the Shares, by (a) mail addressed to Capital Transfer Agency, Suite 920, 390 Bay Street, Toronto, Ontario, Canada M5H 2Y2, Attention: Proxy Department; (b) hand delivery to Capital Transfer Agency, Suite 920, 390 Bay Street, Toronto, Ontario, Canada M5H 2Y2; (c) facsimile to 1-416-350-5008 (local and international), not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays in British Columbia) before the Meeting, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

The Company may refuse to recognize any instrument of proxy deposited in writing or by the internet received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the Meeting or any adjournment thereof.

SECTION 3 - VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

RECORD DATE

The board of directors of the Company (the "**Board**") has fixed Monday, April 10, 2023, as the record date (the "**Record Date**") for determination of persons entitled to receive Notice of Meeting. The Company will prepare or cause to be prepared a list of the Shareholders recorded as holders of Shares on its register of Shareholders as of the close of business on the Record Date, each of whom shall be entitled to vote the Shares shown opposite their name on the list at the Meeting or any adjournment thereof, except to the extent that: (a) any such Shareholder has transferred ownership of any of their Shares subsequent to the Record Date; and (b) the transferee produces properly endorsed share certificates evidencing the transfer or otherwise establishes that the transferee owns the transferred Shares and demands, not later than ten (10) days before the Meeting, that they be included on the list of Shareholders entitled to vote at the Meeting, in which case the transferee, instead of the transferor, will be entitled to vote the transferred Shares at the Meeting or any adjournment thereof.

In addition, persons who are Non-Registered Shareholders as at the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See "*Section 2 – Proxies and Voting Rights – Advice to Non-Registered Shareholders*."

VOTING RIGHTS

The Company is authorized to issue an unlimited number of (i) Common shares without par value and without special rights or restrictions attached ("**Shares**"). As at the Record Date, there were 135,763,865 Shares issued and outstanding and no Preferred Shares were issued and outstanding. Each Shareholder is entitled to one vote for each Share registered in his or her name. Other than as described in this Circular, no group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares.

PRINCIPAL HOLDERS OF SHARES

To the knowledge of the directors and executive officers of the Company, no holder beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company as at the Record Date.

QUORUM

Pursuant to the Company's Articles, subject to the special rights and restrictions attached to the shares of any affected class or series of shares, the quorum for the transaction of business at a meeting of Shareholders is one or more persons present and being, or representing by proxy two or more Shareholders entitled to attend and vote at the meeting.

SECTION 4 – PARTICULARS OF MATTERS TO BE ACTED UPON

MANAGEMENT OF THE COMPANY KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OTHER THAN THOSE REFERRED TO IN THE NOTICE OF MEETING. HOWEVER, IF ANY OTHER MATTERS THAT ARE NOT KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THEIR BEST JUDGMENT.

Additional detail regarding each of the matters to be acted upon at the Meeting is set forth below.

1. FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial years ended March 31, 2021 and March 31, 2022 (the "**Financial Statements**"), together with the notes thereto and the auditor's reports thereon, will be presented to Shareholders at the Meeting. The Financial Statements are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") online at www.sedar.com under the Company's profile.

Copies of the Financial Statements will be available at the Meeting and may also be obtained by a Shareholder upon request without charge from the Company, c/o Keystone Corporate Services Inc., Suite 214, 257 12th Street East, North Vancouver, British Columbia, V7L 2J8 or via email to janet@keystonecorp.ca.

Management will review the Company's financial results at the Meeting and Shareholders and proxyholders will be given an opportunity to discuss these results with management. **Shareholder approval is not required and no formal action will be taken at the Meeting to approve the Financial Statements.**

2. FIXING THE NUMBER OF DIRECTORS

The Company's constating documents stipulate there shall be not less than three directors. The Board is currently composed of five (5) directors and five (5) directors are proposed for the ensuing year. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution, the text of which is as follows:

"BE IT RESOLVED as an ordinary resolution of Shareholders that the number of directors to be elected at the Meeting, to hold office until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the constating documents of the Company. unless their offices are earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's constating documents, be and is hereby fixed at five (5)."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders in person or by proxy at the Meeting.

Management believes the passing of the above resolution is in the best interests of the Company and recommends Shareholders vote in favour of the ordinary resolutions fixing the number of directors to be elected at the Meeting as set out above. Unless directed to the contrary, it is the intention of the Management

Proxyholders named in the enclosed instrument of proxy to vote proxies FOR fixing the number of directors of the Company at five (5).

3. ELECTION OF DIRECTORS

The directors of the Company are elected at each annual meeting and hold office until the next annual meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

Name and Province/ Country of Residence and Present Office Held	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Periods During Which Nominee has Served as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
<p>Martin Kepman <i>Quebec, Canada</i> Director, Chief Executive Officer and President</p>	<p>CEO and president of Martin Kepman and Associates Inc. a business development and management consulting firm since 1982. Director, Graphano Energy Ltd. (2021 – present).</p>	<p>April 12, 2016 – present</p>	<p>545,000</p>
<p>James (Jay) Richardson <i>Ontario, Canada</i> Director and Chief Financial Officer</p>	<p>Chartered Professional Accountant with 40 years of experience in financial management. Director, NurExone Biologic Inc. (formerly EnerSpar Corp.) (2011 – present); Director; BacTech Environmental Corp. (2018 – present); Chief Financial Officer, Director and Chairman, Graphano Energy Ltd. (2020 – present); Chief Financial Officer and Director, Edison Lithium Corp. (2021 – present); ; Managing Partner, James A Richardson and Partner, Company Doctors (1993 – present).</p>	<p>May 13, 2020 – present</p>	<p>240,00</p>
<p>Roger Dahn ⁽²⁾ <i>New Brunswick, Canada</i> Director and Chairman</p>	<p>Professional Geologist and Qualified Person (as defined by National Instrument 43-101) Director, Edison Lithium Corp. (2021 – present); Director, Graphano Energy Ltd. (2021 – present); Director, Voyager Metals Inc. (2016 – 2018).</p>	<p>September 28, 2016 – present</p>	<p>220,000</p>

Name and Province/ Country of Residence and Present Office Held	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Periods During Which Nominee has Served as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Dr. Luisa Moreno ⁽²⁾ <i>Ontario, Canada</i> Director	Managing Partner, Tahuti Global Inc. since 2017; Chief Executive Officer and Director, Graphano Energy Ltd. (2020 – present); Director, Amex Exploration Inc. (2021 – present); Director, Defense Metals Corp. (2021 – present); President, Defense Metals Corp. (2022 – present); Director and Chief Operating Officer, Edison Lithium Corp. (2021 – present); Director, Tantelex Lithium Resources Corporation (2016 – present); Director, Ammpower Corp. (2021 – present); Director, Gratomic Inc. (formerly CKR Carbon Corporation) (2016 – 2018); Director, Quinto Resources Inc. (2017 – 2018).	February 23, 2017 – present	Nil
Robert Tjandra ⁽²⁾ <i>Ontario, Canada</i> Director	Chief Executive Officer and Director of Mineto Power Corp. since 2021; Director, Florence Wealth Management Inc. since 2021. Director of Asia Electrum Charging Solutions (2020 to 2021); President, Chief Operating Officer and a director of Steep Hill Inc. (formerly Canbud Distribution Corp.) (2008 – 2021). Director, Bow Energy Ltd. (2015 – 2018).	April 13, 2021 – present	20,000

NOTES:

(1) The information in the table above as to principal occupation, business or employment and as to common shares beneficially owned or controlled is not necessarily within the knowledge of management of the Company and has been furnished by the respective nominees.

(2) Member of the Audit Committee of the Company

Biographies

Martin Kepman

Martin Kepman has been the CEO of the Company since 2016 and also is the President of Martin Kepman and Associates Inc, founded in 1982. His company is a business development and management consulting firm. Martin, in his 41 years of consulting experience, has consulted on a wide range of projects, in multiple industries ranging from software, soft goods, printing, food to mining. Martin is highly skilled at planning, organization as well as assisting Corporations in financing. He has successfully implemented a variety of installations for a significant

number of major corporations and because of his practical approach, has been recognized as an expert in identifying the strengths and weaknesses of Corporations for strategic business plans; he is also recognized within various industries as a successful specialist in turnarounds. Martin has brought innovative projects to fruition, while assembling key people to minimize risk, thus resulting in maximizing return on investment.

Jay Richardson

Jay Richardson is the current CFO of the Company and is a Canadian Chartered Accountant (1970), a Singapore Certified Public Accountant (1986) and a Fellow of the Insolvency Practitioners' Association of the United Kingdom. He has over 40 years of experience in financial management having practiced as a Partner of Clarkson Gordon Arthur Young (now Ernst & Young, Canada and Singapore) and a Partner of KPMG (UK) prior to establishing his own practice as a company doctor in Toronto in 1993. He has served as the CEO, CFO or Chairman of listed public companies on numerous occasions and in many other CFO and private company situations. He has extensive public company governance experience from over a dozen board memberships including serving as Interim Chairman of the Argus Corporation. In his very extensive charitable and community activities he is most commonly associated with the visual arts, having served, among others, as the Chair of the Royal Canadian Academy Foundation, the Weir Foundation, the Radlett Foundation and the Gardiner Museum.

Roger Dahn

Roger Dahn is a registered professional geologist and Qualified Person (as defined by National Instrument 43-101) with over 40 years of experience in the mining and exploration industry. He has been involved with a number of base metal and gold discoveries which advanced to development stage and production. His extensive mineral exploration experience covers both Canadian and international settings. His experience includes over 16 years with Noranda Inc. and Hemlo Gold Mines Inc., Exploration Manager-Eastern Canada for Battle Mountain Gold Company and Vice President of Exploration with Olympus Pacific Minerals Inc. and Tri-Star Resources plc. In addition to serving as Director of the Company, he is presently also serving as Director of Edison Lithium Corp. and Director of Graphano Energy Ltd.

Dr. Luisa Moreno

Dr. Luisa Moreno is a Physics Engineer with a Ph.D. in Materials Science and Mechanics from Imperial College London, in the United Kingdom. She has almost two decades of experience in Finance, Business Development and Technical Research, with a focus on Technology, and Mining and Metals industries. Currently, she is the Managing Director of Tahuti Global Inc., a consulting firm in the area of natural resources, servicing regional and foreign government institutions in matters related to policy, regulations, funding and strategies for the mineral sector and related industries. As a strategic consultant she assists companies and institutional investors with economic and technical assessments of mineral assets and technologies. She works closely with Canadian and foreign governments on strategies and policies to attract local and foreign investments to the mining sector and supply chains and she serves on the board of directors of several junior mining companies, where she is actively involved in project development strategies, asset evaluation and negotiation, financing and securing offtake agreements. Dr. Moreno is a recognized minerals specialist and a common guest speaker on television and at international conferences. She is often quoted in national and international newspapers and articles.

Robert Tjandra

Mr. Robert Tjandra graduated from University of Toronto with a BSc in Geology Specialist and Mathematics Minor. He also obtained his MBA from the Philippine School of Business Administration. Mr. Tjandra is a co-founder and Chief Executive Officer of Mineto Power Corp., a private company in EV-Tech energy management and battery swap ecosystem space. He was one of the co-founders of Steep Hill Inc. (formerly CanBud Distribution Corp.) and was appointed Chief Operating Officer and President of the Steep Hill Inc. in October 2018 until 2021. He serves as a director of Florence Wealth Management Inc. (a registered Exempt Market Dealer in Canada). He was also a Director of Asia Electrum Charging Solutions, a private EV charging technology company. Mr. Tjandra started his career in the energy sector with BP, following that he became an entrepreneur. He has started and grew successful companies in various sectors, such as prestressed concrete piles manufacturing, oil and gas supply and service, and chemical trading companies. For the last seven years, Mr. Tjandra has been involved in renewable energy, technology, and agro-energy businesses. He served as a director at Bow Energy Ltd., an oil and natural gas

company acquired by Petrolia Energy Corporation pursuant to a plan of arrangement completed on February 27, 2018, and CEO at Alfa Star Hydro Ltd., a privately held renewable energy company.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Other than as set out below, to the knowledge of the management of the Company, no proposed nominee for election as a director of the Company:

- (a) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer; or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is, 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 Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,
- (c) 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, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or 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 shareholder in deciding whether to vote for a proposed director.

Mr. Richardson, in his capacity as a Company Doctor, accepted the appointments as Chief Executive Officer and Chair of Great Lakes Graphite Corp (“**GLK**”) in September and December 2019 to assist in trying to reorganize the corporation when GLK had already been ordered Cease Traded. A Proposal has been accepted by the creditors of the corporation and has received Court Approval.

None of the proposed nominees for election as a director of the Company is proposed for election pursuant to any arrangement or understanding between the nominee and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

A Shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. Management recommends Shareholders vote in favour of the election of each of the nominees listed above for election as directors of the Company for the ensuing year. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies FOR each of the nominees.

4. APPOINTMENT OF AUDITOR

Shareholders will be asked to vote for the re-appointment of Wasserman Ramsay, Chartered Professional Accountants, located at Suite 1008, 3601 Hwy 7 East, Markham, Ontario, L3R 0M3, as auditor of the Company to hold office until the next annual meeting of Shareholders, or until a successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor.

Wasserman Ramsay, Chartered Professional Accountants, has served as the Company's external auditor since October 28, 2015.

Management recommends Shareholders vote in favour of the re-appointment of Wasserman Ramsay, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the Board to fix the auditor's remuneration. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies FOR the appointment of Wasserman Ramsay, Chartered Professional Accountants, as auditor of the Company until the close of its next annual meeting and to authorize the Board to fix the remuneration to be paid to the auditor.

5. SECURITY-BASED COMPENSATION PLAN

The Company established a stock option plan under which directors, officers, employees and consultants of the Company may be granted options to acquire Shares. TSX Venture Exchange (the "**Exchange**") policies respecting the granting of stock options requires that all companies listed on the Exchange implement a stock option plan and that any "rolling" stock option plan must receive Shareholder approval on an annual basis.

The Company's existing stock option plan is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The stock option plan was last approved by Shareholders at the Company's Annual General and Special Meeting of Shareholders held November 12, 2020.

On November 24, 2021, the Exchange updated its policy concerning security-based compensation (the "**Security-Based Compensation Policy**") and advised that any outstanding security-based compensation plan that does not comply with the Security-Based Compensation Policy will need to be amended to comply with the Security-Based Compensation Policy the next time it is placed before a company's shareholders for approval. In connection with the changes required by the Security-Based Compensation Policy, the Board, subject to approval of Shareholders and acceptance by the Exchange, has adopted a new omnibus equity incentive plan, dated for reference March 22, 2023 (the "**Security-Based Compensation Plan**") in order to ensure the new Security-Based Compensation Plan of the Company is in compliance with the Security-Based Compensation Policy. The proposed Security-Based Compensation Plan has been conditionally accepted by the Exchange.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the adoption of the new Security-Based Compensation Plan.

Purpose

The purposes of the Security-Based Compensation Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants (as defined in the Security-Based Compensation Plan) with that of other shareholders of the Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Common Shares as long-term investments.

Administration of the Plan

The Security-Based Compensation Plan is administered by the Board or, from time to time, a committee thereof, and provides that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to eligible Participants, non-transferable awards (the "**Awards**"). Such Awards include options ("**Options**"), restricted share units ("**RSUs**"), share appreciation rights ("**SARs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**"), all Awards except Options, the "**Non-Option Awards**".

Maximum Number of Shares Available for Awards

The number of Common Shares reserved for issuance pursuant to Options granted under the Security-Based Compensation Plan will not, in the aggregate, exceed 10% of the then outstanding Common Shares at the time of grant. In addition, the maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under the Security-Based Compensation Plan shall not exceed a fixed number determined in accordance with the policies of the TSXV.

The maximum number of Common Shares for which Awards may be issued to any one Participant (as defined in the Security-Based Compensation Plan) in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless disinterested shareholder approval as required by the policies of the TSXV is obtained, or 2% in the case of a grant of Awards to any consultant or persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV). No awards other than Options may be issued to any consultants or persons retained to provide Investor Relations Activities. Further, unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Company (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Company (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares.

Eligibility

Awards under the Security-Based Compensation Plan will be granted only to bona fide employees, officers, non-employee directors and consultants of the Company. The extent to which any such individual is entitled to receive a grant of an Award pursuant to the Security-Based Compensation Plan will be determined in the discretion of the Board.

Types of Awards

The following is a summary of the various types of Awards issuable under the Security-Based Compensation Plan.

Options

Subject to any requirements of the TSXV, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a Black Out Period (as defined in the Security-Based Compensation Plan), Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant's termination for Cause (as defined in the Security-Based Compensation Plan), all Options, whether vested or not as at the Termination Date (as defined in the Security-Based Compensation Plan) will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Security-Based Compensation Plan and be exercisable for a period of 90 days after the Termination Date; (iii) in the case of the Disability (as defined in the Security-Based Compensation Plan) of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Option Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such Options, to determine whether to accelerate the vesting of such Options, cancel such Options with or without payment and determine how long, if at all, such Options may remain outstanding following the Termination Date, provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Security-Based Compensation Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the Security-Based Compensation Plan and be exercisable for a period of 90 days after the Termination Date.

The exercise price and vesting terms of the Options will be determined by the Board at the time an Option is granted, provided that in no event will such exercise price be lower than the last closing price of the Common Shares on the TSXV less any discount permitted by the rules or policies of the TSXV at the time the Option is granted.

The Security-Based Compensation Plan permits Participants (with the exception of Investor Relations Service Providers) to elect to undertake a “cashless exercise” of the Options granted to them, pursuant to which the Common Shares otherwise deliverable upon the exercise of the Option may be sold for an amount equal to the exercise price of the Option. In addition, Participants (with the exception of Investor Relations Service Providers) may elect to undertake a “net exercise” procedure of their then-vested and exercisable Options, whereby the Participant shall be entitled to receive such number of Common Shares (rounded down to the nearest whole number) obtained pursuant to formula set out in the Security-Based Compensation Plan.

Restricted Share Units

Subject to any requirements of the TSXV, the Board may determine the expiry date of each RSU. Subject to a limited extension if an RSU expires during a Black Out Period, RSUs may vest and be paid out for a period of up to three years after the grant date, provided that: (i) upon a Participant's termination for Cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the Disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Security-Based Compensation Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Security-Based Compensation Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Security-Based Compensation Plan.

The number of RSUs to be issued to any Participant will be determined by the Board at the time of grant. Each RSU will entitle the holder to receive at the time of vesting for each RSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of RSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

Subject to any vesting restrictions imposed by the TSXV, or as may otherwise be determined by the Board at the time of grant, RSUs shall vest equally over a three-year period such that one third of the RSUs shall vest on the first, second and third anniversary dates of the date that the RSUs were granted.

Share Appreciate Rights

SARs may be issued together with Options or as standalone awards. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the fair market value of the underlying Common Shares on the date of exercise over the grant price of the SAR. At the discretion of the Board, the payment upon the exercise of a SAR may be in cash, Common Shares of equivalent value, in some combination thereof, or in any other form approved by the Board in its sole discretion.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each SAR. Subject to a limited extension if a SAR expires during a Black Out Period, SARs will not be exercisable later than the tenth anniversary date of its grant.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of SARs upon a Participant ceasing to be eligible to participate in the Security-Based Compensation Plan.

Deferred Share Units

The number and terms of DSUs to be issued to any Participant will be determined by the Board at the time of grant. Each DSU will entitle the holder to receive at the time of settlement for each DSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of DSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each DSU, provided that if a DSU would otherwise settle or expire during a Black Out Period, the Board may extend such date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of DSUs upon a Participant ceasing to be eligible to participate in the Security-Based Compensation Plan.

Performance Share Units

The number and terms (including applicable performance criteria) of PSUs to be issued to any Participant will be determined by the Board at the time of grant. Each PSU will entitle the holder to receive at the time of settlement for each PSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of PSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each PSU, provided that in no event will delivery of Common Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which the performance conditions or restrictions are satisfied or lapse, and (ii) December 31 of the third year following the year of the grant date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of PSUs upon a Participant ceasing to be eligible to participate in the Security-Based Compensation Plan.

Termination and Change of Control Provisions

On a Change of Control (as defined below and in the Security-Based Compensation Plan) of the Company, the Board shall have discretion as to the treatment of outstanding Awards, including whether to: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards (provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the TSXV is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

The Security-Based Compensation Plan defines a “Change of Control” as the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Common Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Common Shares; or

- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

A full copy of the new Security-Based Compensation Plan is attached hereto as Appendix “A” and will be available at the Meeting for review by Shareholders. Shareholders may also obtain copies of the new Security-Based Compensation Plan from the Company prior to the Meeting on written request. See also “*Section 5- Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*” and “*Section 8 – Other Information - Securities Authorized for Issuance Under Equity Compensation Plans.*”

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on an ordinary resolution to ratify, confirm and approve the new Security-Based Compensation Plan (the “**Security-Based Compensation Plan Resolution**”), with or without variation, as follows:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT

1. the new omnibus equity incentive plan of the Company (the “**Security-Based Compensation Plan**”) approved by the Board on March 22, 2023, substantially in the form attached to the management information circular of the Company dated April 10, 2023, is hereby approved;
2. the Company is hereby authorized to issue options under the Security-Based Compensation Plan to acquire up to 10% of the then issued and outstanding common shares in the capital of the Company at the time of grant (the “**Common Shares**”) and, in addition, a maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs (as such terms are defined in the Security-Based Compensation Plan) issued under the Security-Based Compensation Plan which shall not exceed a fixed number determined in accordance with the policies of the TSX Venture Exchange (the “**TSXV**”);
3. the Board is hereby authorized to make any changes to the Security-Based Compensation Plan as may be required by the TSXV; and
4. any one director or officer of the Company is hereby authorized, for and on behalf, of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, all such documents and filings, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of these resolutions, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders in person or by proxy at the Meeting.

Management of the Company has reviewed the new Security-Based Compensation Plan Resolution, concluded that it is fair and reasonable to the Shareholders and in the best interest of the Company, and recommends Shareholders vote in favour of ratifying, confirming and approving the new Security-Based Compensation Plan. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies FOR the new Security-Based Compensation Plan Resolution.

6. NEW ARTICLES

The Articles of the Company, among other things, set out rules for the conduct of its business and affairs. Management of the Company wishes to adopt new Articles (the “**New Articles**”). The proposed New Articles will bring the Company up-to-date with current corporate practices under the *Business Corporations Act* (British Columbia) for companies whose shares are listed on the TSX Venture Exchange. A copy of the proposed New Articles are attached hereto as Appendix “B”.

The New Articles are substantively similar to the existing Articles (the “**Existing Articles**”) and the primary changes to the New Articles from that of the Existing Articles are set out below.

SHARES AND SHARE CERTIFICATES - Certificates May be Uncertificated

The Existing Articles currently do not have a provision allowing for shares to be uncertificated. Under the New Articles, the following will be stated:

Notwithstanding any other provisions of this Part, the directors may, by resolution, provide that:

- a. The shares of any or all of the classes and series of the Company’s shares may be uncertificated shares; or
- b. Any specified shares may be uncertificated shares.

SHARES AND SHARE CERTIFICATES - Direct Registration System

The Existing Articles currently do not have a provision for Direct Registration System. Under the New Articles, the following will be stated:

For greater certainty, but subject to this Article 2.11, a registered shareholder may have his holdings of shares of the Company evidenced by an electronic, book-based, direct registration system or other non-certificated entry or position on the register of shareholders to be kept by the Company in place of a physical share certificate pursuant to such registration system as may be adopted by the Company, in conjunction with its transfer agent. This Article 2.11 shall be read such that a registered holder of shares of the Company pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights and entitlements and shall incur the same duties and obligations as a registered holder of shares evidenced by a physical share certificate. The Company and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a share registration system by electronic, book-based, direct registration system or other non-certificated means.

MEETINGS OF SHAREHOLDERS Meetings by Telephone of Other Electronic Means

Although permitted under the Business Corporations Act, the Existing Articles do not state the company may hold Shareholders Meetings by Telephone or Other Electronic Means.

Under the New Articles, the following is included as section 10.5 – Meetings by Telephone or Other Electronic Means

A meeting of the Company’s shareholders may be held entirely or in part by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if approved by directors’ resolution prior to the meeting and subject to the *Business Corporations Act*. Any person participating in a meeting by such means is deemed to be present at the meeting.

NOTICES – Method of Giving Notice

The Existing Articles do not include a provision for making the record available for public electronic access in accordance with the procedures referred to as ‘notice-and-access’ under National Instrument 54-101 and National Instrument 51-102.

Under the New Articles, the following is included under section 23.1 (5):

making the record available for public electronic access in accordance with the procedures referred to as ‘notice-and-access’ under National Instrument 54-101 and National Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with similar electronic delivery or access method permitted by applicable securities legislation from time-to-time;

Under the New Articles, a more detailed description of the Deemed Receipt of Mailing states:

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article **Error! Reference source not found.**2 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the email address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; or
- (4) made available for public electronic access in accordance with the procedures referred to as ‘notice-and-access’ or similar delivery procedures referred to in Article 23.1(5) is deemed to be received by the person on the date it was made available for public electronic access.

ADVANCE NOTICE PROVISIONS - Advance Notice Provisions

The Existing Articles do not include the Advance Notice Provisions fixing a deadline by which holders of record of Shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and set forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

Under the New Articles, the following is included under section 26:

26.1 NOMINATION OF DIRECTORS

- (1) Nominations of persons for election to the Board may be made at any Annual Meeting of shareholders or at any Special Meeting of shareholders if one of the purposes for which the Special Meeting was called was the election of directors. In order to be eligible for election to the Board at any Annual Meeting or Special Meeting of shareholders, persons must be nominated in accordance with one of the following procedures:
 - (a) by or at the direction of the Board or an authorized officer, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act (British Columbia) (the "BCA"), or a requisition of the shareholders made in accordance with the provisions of the BCA; or
 - (c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 26.1 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 26.1.
- (2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give notice which is both timely (in accordance with paragraph (3) below) and in proper written form (in accordance with paragraph (4) below) to the Secretary of the Company at the principal executive offices of the Company.

- (3) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be timely if:
- (a) in the case of an Annual Meeting of shareholders, such notice is made not less than 30 nor more than 65 days prior to the date of the Annual Meeting of Shareholders; provided, however, that in the event that the Annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the Annual Meeting is made, notice by the Nominating Shareholder is made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a Special Meeting (which is not also an Annual Meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the Special Meeting of Shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this paragraph (3).

For greater certainty, the time periods for the giving of notice by a Nominating Shareholder as aforesaid shall, in all cases, be determined based on the original date of the applicable Annual Meeting or Special Meeting, and in no event shall any adjournment or postponement of an Annual Meeting or Special Meeting or the announcement thereof commence a new time period for the giving of such notice.

- (4) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be in proper form if:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, such notice sets forth: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined in paragraph 7 below); and
 - (b) as to the Nominating Shareholder giving the notice, such notice sets forth any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined in paragraph 7 below).
- (5) The Company may require any proposed nominee for election as a Director to furnish such additional information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (6) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 26.1; provided, however, that nothing in this Article 26.1 shall be deemed to restrict or preclude discussion by a shareholder (as distinct from the nomination of directors) at an Annual Meeting or Special Meeting of any matter that is properly brought before such meeting pursuant to the provisions of the BCA or at the discretion of the Chairman of the meeting. The Chairman of the meeting shall have the power and duty to

determine whether any nomination for election of a director was made in accordance with the procedures set forth in this Article 26.1 and, if any proposed nomination is not in compliance with such procedures, to declare such nomination defective and that it be disregarded.

- (7) For purposes of this Article 26:
- (a) "**Annual Meeting**" means any annual meeting of Shareholders;
 - (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such laws and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar securities regulatory authority of each province and territory of Canada;
 - (c) "**BCA**" means the *Business Corporations Act* (British Columbia), as amended;
 - (d) "**Board**" means the board of directors of the Company as constituted from time to time;
 - (e) "**Public Announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com; and
 - (f) "**Special Meeting**" means any special meeting of Shareholders if one of the purposes for which such meeting is called is the election of directors.
- (8) Notwithstanding any other provision of this Article 26.1, notice given to the Secretary of the Company pursuant to this Article 26.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this Article 26.1), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
- (9) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this Article 26.1.

26.2 APPLICATION

- (1) Article 26.1 does not apply to the Company in the following circumstances:
- (a) if and for so long as the Company is not a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply; or
 - (b) to the election or appointment of a director or directors in the circumstances set forth in Article 14.7.
- (2) Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or make or cause to be delivered or made all such filings and documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the following New Articles Resolution:

“BE IT RESOLVED THAT:

1. The cancellation of the existing Articles of the Company and the adoption of a new form of Articles prepared for approval by the Shareholders at the annual general and special meeting of the Company held on June 1, 2023 for Company be and are hereby approved;
2. The Board of Directors of the Company be and are hereby authorized to revoke this special resolution and abandon or terminate cancellation of the existing Articles and the adoption of a new form of Articles for the Company if the Board deems it appropriate and in the best interests of the Company to do so, without further confirmation, ratification or approval of the shareholders; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolution.”

Management of the Company has reviewed the New Articles Resolution, concluded that it is fair and reasonable to the Shareholders and in the best interest of the Company, and recommends Shareholders vote in favour of ratifying, confirming and approving the New Articles Resolution. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies FOR the New Articles Resolution.

7. OTHER BUSINESS

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the common shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

SECTION 5 – STATEMENT OF EXECUTIVE COMPENSATION

Objective:

The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. This disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help investors understand how decisions about executive compensation are made.

Definitions:

For the purpose of this Statement of Executive Compensation, in this form:

- (a) **“Company”** means Manganese X Energy Corp.;
- (b) **“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (c) **“compensation securities”** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

- (d) **“named executive officer”** or **“NEO”** means each of the following individuals:
- (i) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
 - (ii) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
 - (iii) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year;
 - (iv) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;
- (e) **“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons.
- (f) **“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During the financial year ended March 31, 2022, based on the definition above, the NEOs of the Company were (a) Martin Kepman, who has served as CEO of the Company since October 19, 2016 and (b) Jay Richardson, who has served as a director of the Company since April 21, 2016 and has served as the CFO since September 21, 2020. Individuals serving as directors of the Company who were not NEOs during the financial year ended March 31, 2022, were (a) Luisa Moreno; (b) Roger Dahn; and (c) Robert Tjandra.

Director and NEO compensation, excluding compensation securities

The following table sets forth all compensation, excluding options and compensation securities, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, for the two most recently completed financial years, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company.

Table of Compensation Excluding Compensation Securities							
Name and position	Year Ended March 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Martin Kepman ⁽¹⁾ CEO, President and Director	2022	92,000	Nil	Nil	Nil	Nil	92,000
	2021	82,000	Nil	Nil	Nil	Nil	82,000
James Richardson ⁽²⁾ CFO and Director	2022	36,000	Nil	24,000	Nil	Nil	60,000
	2021	24,000	Nil	4,000	Nil	Nil	28,000
Roger Dahn ⁽³⁾ Director, Chairman	2022	14,852 ⁽⁴⁾	Nil	36,000	Nil	Nil	50,852
	2021	81,250 ⁽⁴⁾	Nil	9,000	Nil	Nil	90,250

Table of Compensation Excluding Compensation Securities

Name and position	Year Ended March 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dr. Luisa Moreno ⁽⁴⁾	2022	Nil	Nil	24,000	Nil	Nil	24,000
Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
Robert Tjandra ⁽⁵⁾	2022	Nil	Nil	24,000	Nil	Nil	24,000
Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
Anthony Viele ⁽⁶⁾	2022	N/A	N/A	N/A	N/A	N/A	N/A
Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil

NOTES:

- (1) Martin Kepman was appointed Director of the Company on April 12, 2016. He was appointed as CEO and President of the Company on October 19, 2016.
- (2) James Richardson was appointed Director of the Company on May 13, 2020, and was appointed as CFO on September 21, 2020.
- (3) Roger Dahn was appointed Director of the Company September 28, 2016 and Chairman on December 10, 2020.
- (4) Mr. Dahn provides services on an ad hoc basis as a geologist for work on the Battery Hill Property.
- (5) Dr. Luisa Moreno was appointed Director of the Company on February 23, 2017.
- (6) Robert Tjandra was appointed Director of the Company on April 13, 2021.
- (7) Anthony Viele served as a director from September 12, 2019 until February 1, 2021.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table sets out all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries during the financial year ended March 31, 2022, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities

Name and position	Type of compensation security ^{(1) (2)}	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Martin Kepman CEO, President, and Director	Stock Options	1,000,000 (8.03% ⁽³⁾) (1,000,000 underlying common shares (0.80% ⁽⁴⁾)	March 25, 2022	0.40	0.37	0.42	March 25, 2027
James Richardson CFO and Director	Stock Options	500,000 (4.01% ⁽³⁾) (500,000 underlying common shares (4.23% ⁽⁴⁾)	March 25, 2022	0.40	0.37	0.42	March 25, 2027
Roger Dahn Director	Stock Options	500,000 (4.01% ⁽³⁾) (500,000 underlying common shares (4.23% ⁽⁴⁾)	March 25, 2022	0.40	0.37	0.42	March 25, 2027

Compensation Securities							
Name and position	Type of compensation security ^{(1) (2)}	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Luisa Moreno Director	Stock Options	500,000 (4.01% ⁽³⁾)	March 25, 2022	0.40	0.37	0.42	March 25, 2027
		(500,000 underlying common shares (4.23% ⁽⁴⁾)					
Robert Tjandra Director	Stock Options	300,000 (2.41% ⁽³⁾)	April 13, 2021	0.50	0.53	0.42	April 13, 2026
		(300,000 underlying common shares (0.24% ⁽⁴⁾)					
		500,000 (4.01% ⁽³⁾)	March 25, 2022	0.40	0.37	0.42	March 25, 2027
		(500,000 underlying common shares (4.23% ⁽⁴⁾)					

NOTES:

- (1) Unless otherwise indicated, all stock options fully vest at date of grant.
- (2) As at March 31, 2022, the total number of compensation securities and underlying securities held by each NEO or director was as follows:
- (a) Martin Kepman held (i) 300,000 fully vested stock options (300,000 underlying common shares) each exercisable at \$0.12 with an expiry date of September 12, 2024, (ii) 300,000 fully vested stock options (300,000 underlying common shares) each exercisable at \$0.20 with an expiry date of September 4, 2023, (iii) 500,000 fully vested stock options (500,000 underlying common shares) each exercisable at \$0.63 with an expiry date of February 1, 2026, and (iv) 1,000,000 fully vested stock options (1,000,000 underlying common shares) each exercisable at \$0.40 with an expiry date of March 25, 2027.
- (b) James Richardson held (i) 50,000 fully vested stock options (50,000 underlying common shares) each exercisable at \$0.20 with an expiry date of September 4, 2023, (ii) 200,000 fully vested stock options (200,000 underlying common shares) each exercisable at \$0.63 with an expiry date of February 1, 2026, and (iii) 500,000 fully vested stock options (500,000 underlying common shares) each exercisable at \$0.40 with an expiry date of March 25, 2027.
- (c) Roger Dahn held (i) 100,000 fully vested stock options (100,000 underlying common shares) each exercisable at \$0.20 with an expiry date of September 4, 2023, (ii) 300,000 fully vested stock options (300,000 underlying common shares) each exercisable at \$0.63 with an expiry date of February 1, 2026 and (iii) 500,000 fully vested stock options (500,000 underlying common shares) each exercisable at \$0.40 with an expiry date of March 25, 2027.
- (d) Luisa Moreno held 100,000 fully vested stock options (100,000 underlying common shares) each exercisable at \$0.20 with an expiry date of September 4, 2023, (ii) 200,000 fully vested stock options (200,000 underlying common shares) each exercisable at \$0.63 with an expiry date of February 1, 2026 and (iii) 500,000 fully vested stock options (500,000 underlying common shares) each exercisable at \$0.40 with an expiry date of March 25, 2027.
- (e) Robert Tjandra held (i) 300,000 fully vested stock options (300,000 underlying common shares) each exercisable at \$0.50 with an expiry date of April 13, 2026 and (ii) 500,000 fully vested stock options (500,000 underlying common shares) each exercisable at \$0.40 with an expiry date of March 25, 2027.
- (3) Closing price of the Company's common shares as at March 31, 2022, was \$0.42 Percentage based on aggregate number of stock options outstanding as at March 31, 2022, being 11,700,000.
- (4) Percentage based on aggregate number of common shares of the Company issued and outstanding as at March 31, 2022, being 124,557,907.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO of the Company during the financial year ended March 31, 2022.

Stock Option Plans and Other Incentive Plans

The Company's stock option plan (the "**Stock Option Plan**") is the only equity compensation plan the Company currently has in place. It was established to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, consultants and employees, to reward such directors, consultants and employees (collectively, the "**Service Providers**") as may be awarded stock options under the Stock Option Plan from time to time for their contributions toward the long-term goals of the Company, and to enable and encourage such directors, consultants, and employees to acquire common shares as long-term investments.

The Stock Option Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, consultants, and employees of the Company and its subsidiaries or affiliates, options to purchase common shares in the capital of the Company. The Stock Option Plan is a "rolling" stock option plan, whereby the aggregate number of common shares reserved for issuance, together with any other common shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued common shares (calculated on a non-diluted basis) at the time an option is granted.

The Plan was last ratified by the shareholders of the Company on November 12, 2020, and subsequently by the Exchange. Under the policies of the Exchange, a rolling stock option plan must be re-approved on a yearly basis by the shareholders of the Company and the Exchange.

On November 24, 2021, the Exchange updated its policy concerning security-based compensation (the "**Security-Based Compensation Policy**") and advised that any outstanding security-based compensation plan that does not comply with the Security-Based Compensation Policy will need to be amended to comply with the Security-Based Compensation Policy the next time it is placed before a company's shareholders for approval. In connection with the changes required by the Security-Based Compensation Policy, the Board, subject to approval of Shareholders and acceptance by the Exchange, has adopted a new omnibus equity incentive plan, dated for reference March 22, 2023 (the "**Security-Based Compensation Plan**") in order to ensure the new Security-Based Compensation Plan of the Company is in compliance with the Security-Based Compensation Policy.

See "*Section 4 – Particulars of Matters to be Acted Upon – 5. Security-Based Compensation Plan*" for a summary of the material terms of the new Security-Based Compensation Plan. The full text of the new Security-Based Compensation Plan is attached hereto as Appendix "A" for review by Shareholders.

Employment, Consulting and Management Agreements

The Company did not have any employment, consulting or management agreements or any formal arrangements with the Company's current NEOs or directors regarding compensation during the financial year ended March 31, 2022, in respect of services provided to the Company or subsidiaries thereof.

Termination and Change of Control Benefits

Other than as disclosed herein, the Company does not have any plan or arrangement to pay or otherwise compensate any NEO if his employment is terminated as a result of resignation, retirement, change of control, or if his responsibilities change following a change of control.

The Company may terminate a consulting agreement with an NEO upon 24 months' notice to the NEO, or payment in lieu, and the NEO may terminate the agreement upon two months' notice to the Company.

Oversight and Description of Director and NEO Compensation

The Company does not have a formal compensation program and the Board, as a whole, is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for determining all compensation of the Company's executive officers and directors, ensuring such arrangements reflect the responsibilities and risks

associated with each position. The Board assesses all compensation matters, including but not limited to (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. The general objectives of the Company's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term shareholder value; (b) align management's interests with the long term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Company currently pays each director who is not also an employee or officer of the Company a director fee of \$2,000.00 per month for the provision of director services, including meeting attendance and for any applicable committee membership(s). In addition, the Company pays the Chairman who is not also an employee or officer of the Company a fee of \$3,000.00 per month.

Long Term Incentive Awards

The Company's long term incentive awards consist of stock options granted pursuant to the Stock Option Plan. The Board believes that granting stock options to executive officers aligns the interests of the executive officers with the Company's shareholders by linking a component of executive compensation to the longer-term performance of the Company's common shares. The Company emphasizes stock options in executive compensation as they allow the NEOs to share in corporate results in a manner that is relatively cost effective despite the effects of treating stock options as a non-cash compensation expense. The Board provides recommendations to the Board with respect to option grants to NEOs.

In addition to determining the number of options to be granted, the Board also makes the following determinations:

- (a) the executive officers and directors who are entitled to participate in the stock option plan;
- (b) the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the market price on the date of grant;
- (c) the date on which each option is granted;
- (d) the vesting period for each stock option; and
- (e) other material terms and conditions of each stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Stock Option Plan. Generally, once each year, or more often as may be deemed appropriate, the Board will consider and, if appropriate, approve a grant of stock options to those employees eligible for consideration for options.

Pension disclosure

The Company does not have any pension, retirement, defined benefit, defined contribution or deferred compensation plans that provides for payments or benefits to its directors and NEOs at, following, or in connection with retirement and none is proposed at this time.

SECTION 6 - AUDIT COMMITTEE

National Instrument 52-110 - *Audit Committees* ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

AUDIT COMMITTEE CHARTER

The full text of the Company's Audit Committee Charter is attached as Appendix "C" to this Circular.

COMPOSITION OF AUDIT COMMITTEE

As at the date hereof, the Company's audit committee is composed of Luisa Moreno, Roger Dahn and Robert Tjandra.

National Instrument 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 Board, reasonably interfere with the exercise of the member's independent judgment. All of the Company's current audit committee members, being Luisa Moreno, Roger Dahn, and Robert Tjandra are considered "independent" within the meaning of NI 52-110. The Company does meet the composition requirements of NI 52-110 as the majority of the members of its Audit Committee are not executive officers, employees or control persons of the Company or of an affiliate 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 Company's audit committee are financially literate as that term is defined.

RELEVANT EDUCATION AND EXPERIENCE

Each member of the Company's Audit Committee has adequate education and experience that is relevant to his or her performance as an Audit Committee member and, in particular the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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
- (c) an understanding of internal controls and procedures for financial reporting.

All of the Audit Committee members are senior-level businessmen with experience in financial matters. Each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. See "Biographies" in "*Section 4 – Particulars of Matters to be Acted Upon – 3. Election of Directors.*"

In addition, each of the members of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors of public companies other than the Company. See "*Section 7 - Corporate Governance – Directorships in Other Reporting Issuers.*"

AUDIT COMMITTEE OVERSIGHT

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

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year ended March 31, 2022, has the Company relied on the exemption in section 2.4 of NI 52-110 - *Audit Committees (De Minimis Non-audit Services)*, the exemption in section 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

As the Company is a "Venture Issuer" pursuant to relevant securities legislation, the Company is relying on the exemption in section 6.1 of NI 52-110 - *Audit Committees*, from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees billed by the Company's external auditor in each of the last two financial years with respect to the Company, by category, are as follows:

Financial Year Ending March 31	Audit Fees ⁽¹⁾ (\$)	Audit-Related Fees ⁽²⁾ (\$)	Tax Fees ⁽³⁾ (\$)	All Other Fees ⁽⁴⁾ (\$)
2022	29,750	7,850	3,500	Nil
2021	28,500	Nil	3,250	Nil

NOTES:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated 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.

SECTION 7 - CORPORATE GOVERNANCE

GENERAL

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Company is required to disclose its corporate governance practices. Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company.

National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices and believes the Company's corporate governance practices are appropriate and effective for the Company given its current size.

BOARD OF DIRECTORS

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the 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. The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of at least two directors independent of management. The Board, at present, is composed of five (5) directors, three of whom are not executive officers of the Company and both of whom are considered to be "independent", as that term is defined in applicable securities legislation. Luisa Moreno, Roger Dahn, and Robert Tjandra are considered to be independent. Martin Kepman is not considered independent by reason of his offices as Chief Executive Officer and President of the Company. James Richardson is also not considered to be independent by reason of his office as Chief Financial Officer of the Company. In determining whether a director is independent, the Board chiefly considers whether the director has a relationship which could or could be perceived to interfere with the director's ability to objectively assess the performance of management.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

DIRECTORSHIPS IN OTHER REPORTING ISSUERS

Certain of the Company's directors are also directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other Reporting Issuer (or the equivalent)
Martin Kepman	Graphano Energy Ltd.
James Richardson	BacTech Environmental Corporation Edison Lithium Corp. Graphano Energy Ltd. NurExone Biologic Inc. (formerly Enerspar Corp.)
Luisa Moreno	Amex Exploration Inc. AmmPower Corp. Defense Metals Corp. Edison Lithium Corp. Graphano Energy Ltd. Tantelex Lithium Resources Corporation
Roger Dahn	Edison Lithium Corp. Graphano Energy Ltd.
Robert Tjandra	N/A

ORIENTATION AND CONTINUING EDUCATION

The Board is responsible for providing orientation for all new recruits to the Board. The Company has not developed an official orientation or training program for new directors as each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. New directors have the opportunity to become familiar with the Company and its business by meeting with the other directors and with

officers and employees. Orientation activities are tailored to the particular needs and experience of each director and the overall needs of the Board. The Company provides continuing education for its directors as the need arises and encourages open discussion at all meetings, which foster learning by the directors.

ETHICAL BUSINESS CONDUCT

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these, combined with 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.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

NOMINATION OF DIRECTORS

The Board, as a whole, considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board is also responsible for recruiting new members to the Board and planning for the succession of board members.

COMPENSATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO of the Company and the directors, and for reviewing the CFO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations in general; and (v) permitted compensation under the rules of the Exchange.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has appointed an Audit Committee, the members of which are Luisa Moreno, Roger Dahn, and Robert Tjandra. A description of the function of the Audit Committee can be found in this Circular under "*Section 6 - Audit Committee*". The Board does not have any other committees.

ASSESSMENTS

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution.

Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the 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 the 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 practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

SECTION 8 - OTHER INFORMATION

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has a 10% rolling stock option plan in place. See "Section 3 - Particulars of Matters to Be Acted Upon – Security-Based Compensation Plan" and "Section 5- Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans."

The following table provides information as at March 31, 2022, regarding the number of common shares to be issued pursuant to the Company's stock option plan. The Company does not have any equity compensation plans that have not been approved by its shareholders.

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 securityholders ⁽¹⁾	17,700,000	\$0.44	755,790
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total:	11,700,000	\$0.44	755,790

NOTE:

(1) Represents the Stock Option Plan of the Company. As at March 31, 2022, the Stock Option Plan reserved shares equal to a maximum of 10% of the issued and outstanding Shares. As at March 31, 2022, the Company had 124,557,907 common shares issued and outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" as defined in applicable securities legislation, since the beginning of the financial year ended March 31, 2022, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Company or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Company or any of its subsidiaries 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 Company or any of its subsidiaries, and which was not entirely repaid on or before the date of this Circular.

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

Except as disclosed herein, none of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting. Other than the election of directors and the approval of the stock option plan of the Company, all described in this Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein or in the Company's financial statements, no informed person of the Company, or proposed director of the Company, or any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

MANAGEMENT CONTRACTS

Since the beginning of the Company's most recently completed financial year ended March 31, 2022, management functions of the Company are not, and have not been, to any substantial degree performed by any person other than the executive officers and directors of the Company.

ADDITIONAL INFORMATION

Financial information about the Company is included in the Company's comparative annual financial statements for the financial years ended March 31, 2022, and March 31, 2022, and the related Management's Discussion and Analyses, which have been electronically filed with regulators and are available online under the Company's profile on SEDAR online at www.sedar.com. Copies may be obtained without charge upon request to the Company, c/o Keystone Corporate Services Inc., Suite 214, 257 12th Street East, North Vancouver, British Columbia, V7L 2J8 - telephone 604-612-2111.

You may also access the Company's other public disclosure documents on SEDAR at www.sedar.com under the Company's profile. Additional information about the Company can be found on the Company's website at <https://www.manganesenergycorp.com/>.

REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 – *Continuous Disclosure Obligations* sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statement, you may use the enclosed form or provide instructions in any other written format.

APPROVAL OF THE BOARD OF DIRECTORS

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

DATED at Vancouver, British Columbia, this 10th day of April 2023.

BY ORDER OF THE BOARD

MANGANESE X ENERGY CORP.

/s/ *Martin Kepman*
Martin Kepman
Chief Executive Officer, President and Director

APPENDIX “A”

**Proposed New Security Based Compensation Plan of
Manganese X Energy Corp.
(the “Company”)**

MANGANESE X ENERGY CORP.

OMNIBUS EQUITY INCENTIVE PLAN

**ARTICLE 1
ESTABLISHMENT, PURPOSE AND DURATION**

1.1 Establishment of the Plan.

The following is the omnibus equity incentive plan of Company. (the “**Company**”) pursuant to which stock-based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The plan is a Security Based Compensation Plan (the “**Plan**”) (as such term as defined below). The Plan permits the grant of Options, Share Appreciation Rights, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below).

The Plan was approved by the Board (as defined below) on March 22, 2023, and shall become effective upon the receipt of approval of the Shareholders and the acceptance of the TSX Venture Exchange (the “**Effective Date**”), and will remain in force until the date it is terminated by the Board in accordance with the Plan. The Plan is subject to amendment and/or restatement from time to time on approval of the Board and receipt of any required regulatory and/or shareholder approvals.

1.2 Purpose of the Plan.

The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with those of other shareholders of the Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.

1.3 Termination of Predecessor Plan.

The Plan shall, in respect of Options, serve as the successor to the Company's stock option plan as it existed prior to the Effective Date (the “**Predecessor Plan**”). Options currently outstanding under the Stock Option Plan will remain outstanding and in full force and effect in accordance with their terms after the Effective Date. However, following the Effective Date, no additional grants shall be made pursuant to the Predecessor Plan, and the Predecessor Plan will terminate on the date upon which no Outstanding Options remain outstanding.

**ARTICLE 2
DEFINITIONS**

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

“**Affiliate**” means any corporation, partnership or other entity: (i) in which the Company, directly or indirectly, has majority ownership interest; or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to “control” such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

“**Award**” means, individually or collectively, a grant under the Plan of Options, SARs, Deferred Share Units, Restricted Share Units or Performance Share Units, in each case subject to the terms of the Plan.

“**Award Agreement**” means either: (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

“**BCSA**” means the *Securities Act* (British Columbia), as may be amended from time to time.

“**Blackout Period**” means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.

“**Board**” means the board of directors of the Company as constituted from time to time.

“**Cause**” means either: (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term “cause” is defined in such agreement, “cause” as defined in such agreement; or (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant, (B) the failure of the Participant to follow the Company's reasonable instructions with respect to the performance of his or her duties, (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company, (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud, or (E) any other act or omission of the Participant which would at law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

“**Change of Control**” means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to windup, dissolve or liquidate the Company;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

“**Code**” means the *U.S. Internal Revenue Code of 1986*, as amended from time to time, or any successor thereto.

“**Committee**” means the Board or, if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.

“**Company**” means Manganese X Energy Corp.

“**Consultant**” has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

“**Deferred Share Unit**” or “**DSU**” means an Award denominated in units that provides the holder thereof with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under and subject to the terms of the Plan.

“**Director**” means any individual who is a member of the Board.

“**Disability**” means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

“**Discounted Market Price**” has the meaning ascribed thereto in Policy 1.1 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

“**Dividend Equivalent**” means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

“**Eligible Charitable Organization**” has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

“**Employee**” means any bona fide employee or officer of the Company or an Affiliate of the Company; provided, however, that Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

“**Exchange Hold Period**” means a four-month resale restriction imposed by the TSXV on:

- (i) Common Shares and securities convertible, exercisable or exchangeable into Common Shares (including Options) issued by the Company to:
 - a. directors, officers and Promoters of the Company;
 - b. Consultants of the Company; or
 - c. Persons holding securities carrying more than 10% of the voting rights attached to the Company’s securities both immediately before and after

the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Issuer, except in the case of securities whose Distribution (as such term is defined in the policies of the TSXV) was qualified by a Prospectus (as such term is defined in the policies of the TSXV) or which were issued under a take-over bid, rights offering or pursuant to an amalgamation or other statutory procedure;

- (ii) Options granted by the Company to any Person with an exercise price that is less than the applicable Market Price; and
- (iii) as required by subsection (e)(v) of the definition of Market Price in Policy 1.1 of the TSXV, securities issued at a price or deemed price that is less than \$0.05 except in the case of securities whose Distribution was qualified by a Prospectus or securities issued pursuant to Policy 4.5 – Rights Offerings of the TSXV;

“**Existing Awards**” means options to purchase **12,550,000** Shares granted by the Company under the Predecessor Plan prior to, but which remain outstanding as of, the Effective Date.

“**FMV**” means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the TSXV, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the TSXV less any discount permitted by the rules or policies of the TSXV.

“**Freestanding SAR**” means a SAR that is not a Tandem SAR, as described herein.

“**Grant Price**” means the price against which the amount payable is determined upon exercise of a SAR.

“**Insider**” has the meaning ascribed thereto in Policy 1.1 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

“**Investor Relations Service Provider**” has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

“**ITA**” means the *Income Tax Act* (Canada).

“**Management Company Employee**” has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

“**Non-Employee Director**” means a Director who is not an Employee.

“**Notice Period**” means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control,

the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

“**Option**” means the conditional right to purchase Shares at a stated Option Price for a specified period of time, subject to the terms of the Plan.

“**Option Price**” means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

“**Participant**” means a Person who is either an Employee, Non-Employee Director, Consultant, Management Company Employee or Eligible Charitable Organization who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Plan.

“**Performance Period**” means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

“**Performance Share Unit**” means an Award granted under Article 10 herein and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

“**Period of Restriction**” means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

“**Person**” has the meaning set out in Policy 1.1 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

“**Restricted Share Unit**” means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 8 herein and subject to the terms of the Plan.

“**Retirement**” or “**Retire**” means a Participant's permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted by the Board.

“**Security Based Compensation**” has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

“**Share Appreciation Right**” or “**SAR**” means the conditional right to receive the difference between the FMV of a Share on the date of exercise over the Grant Price, pursuant to the terms of Article 7 herein and subject to the terms of the Plan.

“**Shares**” means common shares of the Company.

“**Tandem SAR**” means a SAR that the Committee specifies is granted in connection with a related Option pursuant to Article 7 herein and subject to the terms of the Plan, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (and when a Share is purchased under the Option, the Tandem SAR shall similarly be cancelled) or a SAR that is granted in tandem with an Option but the exercise of such Option does not cancel the SAR, but rather results in the exercise of the related SAR. Regardless of whether an Option is granted coincident with a SAR: (a) a SAR is not a Tandem SAR unless

so specified by the Committee at the time of grant; and (b) a Tandem SAR shall be considered two separate Awards under the Plan.

“Termination Date” means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

“Trading Day” means a day when trading occurs through the facilities of the TSXV.

“TSXV” means the TSX Venture Exchange and at any time the Shares are not listed and posted for trading on the TSXV, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

“U.S. Participants” means those Participants that are United States taxpayers.

“Voting Securities” means any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

“VWAP” means the volume weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of Shares traded for the five Trading Days immediately preceding the date of exercise of the subject Option.

ARTICLE 3 ADMINISTRATION

3.1 General.

The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.

3.2 Authority of the Committee.

The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the

Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 14, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

3.3 Delegation.

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

ARTICLE 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 Maximum Number of Shares Available for Awards.

- (a) The maximum number of Shares issuable pursuant to Options issued under the Plan shall be equal to 10% of the then outstanding Shares on a rolling basis. To the extent that an Option lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Option shall again be available for the grant of an Option.
- (b) In addition to (and not inclusive of) the maximum number of Shares issuable pursuant to Options issued under the Plan as specified in Section 4.1(a), the Company may issue up to an additional **13,572,386** Shares, in the aggregate, pursuant to the exercise of SARs, RSUs, DSUs and PSUs issued under the Plan (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU).

4.2 Award Grants to Individuals.

The maximum number of Shares for which Awards may be issued to any one Person in any 12-month period shall not exceed 5% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU), calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the TSXV. The maximum number of Shares for which Awards may be issued to any one Consultant in any 12-month period must not exceed 2% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU), calculated on the date an Award is granted to the Consultant, as applicable.

4.3 Award Grants to Investor Relations Providers.

The maximum number of Shares for which Awards may be issued to any Consultant or Persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV) Person in any 12-month period shall not exceed 2% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU), calculated on the date an Award is granted to the Consultant or any such Person, as applicable. For greater certainty, no Awards other than Options may be issued to any Consultants or Persons retained to provide Investor Relations Activities. A press release is required at the time of grant for an issuance or amendment of an Award.

4.4 Award Grants to Insiders.

Unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU); and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU), calculated at the date an Award is granted to any Insider. A press release is required at the time of grant for an issuance or amendment of an Award.

4.5 Adjustments in Authorized Shares.

Subject to the approval of the TSXV (except in relation to a consolidation or stock split), in the event of any corporate event or transaction (collectively, a “**Corporate Reorganization**”) (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spinoff or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant or Share Appreciation Rights with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants.

Subject to the provisions of Article 12 and any applicable law or regulatory requirement, including the approval of the TSXV, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, subject to any required approvals of the TSXV, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

4.6 Existing Awards.

Subject to any required approvals of the TSXV and compliance with applicable securities laws, all Existing Awards granted under the Predecessor Plan shall, from and after the Effective Date, be subject to and governed by the terms of the Plan.

4.7 Exchange Hold Period.

While the Common Shares are listed on the TSXV, the Exchange Hold Period is applicable and Options subject to an Exchange Hold Period must be legended accordingly in accordance with the policies of the TSXV.

ARTICLE 5 ELIGIBILITY AND PARTICIPATION

5.1 Eligibility.

Only Participants are eligible to receive Awards from the Company. Prior to a grant to an Employee, Consultant or Management Company Employee, the Company and the Participant must confirm that the Participant is a bona fide Employee, Consultant or Management Company Employee of the Company.

5.2 Actual Participation.

Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

ARTICLE 6 STOCK OPTIONS

6.1 Grant of Options.

Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

6.2 Award Agreement.

Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

6.3 Option Price.

The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant and shall not be less than the Discounted Market Price

6.4 Vesting of Options

Each Option granted to a Participant shall vest at such time(s) as the Committee shall determine at the time of grant and shall be specified in the Award Agreement. Each Option issued to any Consultant or Persons (in the aggregate) retained to provide Investor Relations Activities must vest

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

6.5 Duration of Options.

Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to Section 6.6, no Option shall be exercisable later than the tenth (10th) anniversary date of its grant.

6.6 Blackout Periods.

If the date on which an Option is scheduled to expire occurs during a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10-business day period.

6.7 Exercise of Options.

Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.8 Payment.

- (a) Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.
- (b) Subject to Section 6.8(c), the Option Price upon exercise of any Option shall be payable to the Company in full by direct deposit or wire transfer. As soon as practicable after receipt of a notification of exercise and full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the Person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15th day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

- (c) Subject to Board approval, but excluding Options held by an Investor Relations Service Provider, a Participant may elect, in its sole discretion, to undertake: (i) a “cashless exercise” pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the exercise price of the Option and all applicable required withholding obligations contemplated under the Plan against delivery of the Shares to settle the applicable trade; or (ii) a “net exercise” procedure effected by the Participant surrendering the applicable portion of a then-vested and exercisable Option to the Company, that number of Shares, disregarding fractions, equal to the value of the exercise price of the Option. In connection with such net exercise, the Participant shall be entitled to receive such number of whole Shares (rounded down to the nearest whole number) obtained pursuant to the following formula:

$$a = \frac{b \times c - d}{c}$$

where:

a = the net number of Shares to be issued to the Participant;

b = the number of Shares under the Option being exercised;

c = the VWAP; and

d = the exercise price of the Option.

In the event of a cashless or net exercise pursuant hereto, the Participant shall comply with: (i) all applicable withholding obligations under the Plan; and (ii) all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time, including prior written consent of the Board, in connection with such exercise. No fractional Shares will be issued upon a Participant making an election pursuant to this Section 6.8(c). If the number of Shares to be issued to the Participant in the event of such an election would otherwise include a fraction of a Share, the Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded. For greater certainty, in determining all limits under the Plan, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued in connection with a Cashless Exercise or a Net Exercise, will be included in the calculation of such limits.

6.9 Death, Disability, Retirement and Termination or Resignation of Employment.

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
- (i) all unvested Options as at the Termination Date shall automatically and immediately vest; and

- (ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Notwithstanding the forgoing, all Options must expire within twelve months following the Participant's death.

- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 6.9(a)-6.9(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
 - (i) all unvested Options shall automatically and immediately expire and be forfeited, and
 - (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Notwithstanding any determination of the Board or the terms of the applicable Award Agreement, all Options must expire within 12 months following the date on which the Person ceases to be an eligible Participant.

6.10 Nontransferability of Options.

An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

ARTICLE 7 SHARE APPRECIATION RIGHTS

7.1 Grant of SARs.

Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time and upon such terms as shall be determined by the Committee in its discretion. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs.

The Grant Price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award Agreement. The Grant Price may be based on one hundred percent (100%) of the FMV of the Shares on the date of grant, or set at a premium to the FMV of the Shares on the date of grant, or be indexed to the FMV of the Shares on the date of grant, with the index determined by the Committee, in its discretion, provided that the Grant Price may never be less than the FMV of the Shares on the date of Grant. The Grant Price of Tandem SARs shall be equal to the Option Price of the related Option.

7.2 SAR Agreement.

Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and any such other provisions as the Committee shall determine.

7.3 Term of SAR.

The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, and subject to Section 7.4, no SAR shall be exercisable later than the tenth (10th) anniversary date of its grant.

7.4 Blackout Periods.

If the date on which a SAR is scheduled to expire occurs during a Black Out Period applicable to such Participant, then the expiry date for such SAR shall be extended to the last day of such 10-business day period.

7.5 Exercise of Freestanding SARs.

Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

7.6 Exercise of Tandem SARs.

With respect to Participants who are not subject to taxation under the ITA, Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, if applicable. With respect to Participants subject to taxation under the ITA, prior to exercising a Tandem SAR the Participant must elect to receive the Tandem SAR in consideration for the disposition of that Participant's right to receive Shares under the Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable.

7.7 Payment of SAR Amount.

Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the FMV of the underlying Shares on the date of exercise over the Grant Price. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares of equivalent value (based on the FMV of the Shares on the date of exercise of the SAR, as defined in the

Award Agreement or otherwise defined by the Committee thereafter), in some combination thereof, or in any other form approved by the Committee at its sole discretion (subject to compliance with the rules of the TSXV). Payment shall be made no earlier than the date of exercise nor later than 2&1/2 months after the close of the year in which the SAR is exercised. The Committee's determination regarding the form of SAR payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the SAR (subject to compliance with the rules of the TSXV).

7.8 Termination of Employment.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all SARs issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any SAR be exercisable for more than 12 months after the Termination Date.

7.9 Nontransferability of SARs.

A SAR granted under the Plan may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the SAR shall continue to be subject to the terms of the Plan). Further, all SARs granted to a Participant under the Plan shall be exercisable during such Participant's lifetime only by such Participant.

7.10 Vesting of SARs.

Each SAR granted to a Participant shall vest at such time(s) as the Committee shall determine at the time of grant and shall be specified in the Award Agreement. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no SAR may vest before the date that is one year following the date of grant.

ARTICLE 8 RESTRICTED SHARE UNITS

8.1 Grant of Restricted Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

8.2 Restricted Share Unit Agreement.

Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, whether such Restricted Share Unit is settled in cash, Shares or a combination thereof or if the form of payment is reserved for later determination by the Committee (provided that such other form of payment complies with the rules of the TSXV), and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following

the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV.

8.3 Vesting of Restricted Share Units.

Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest equally over a three year period such that 1/3 of the Restricted Share Units granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no Restricted Share Unit granted shall vest and be payable after December 31st of the third calendar year following the year of service for which the Restricted Share Unit was granted. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no RSU may vest before the date that is one year following the date of grant.

8.4 Black Out Periods.

If the date on which a Restricted Share Unit is scheduled to expire occurs during a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10-business day period.

8.5 Nontransferability of Restricted Share Units.

The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

8.6 Dividends and Other Distributions.

During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units, and will be required to make payment in cash if the issuance of the dividend or Dividend Equivalent would result in the Company surpassing the limitations set forth in Sections 4.1, 4.2, 4.3 or 4.4 of the Plan.

8.7 Death, Disability, Retirement and Termination or Resignation of Employment.

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
 - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and
 - (ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.

Notwithstanding the forgoing, all RSU's must expire within twelve months following the Participants death.

- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 8.7(a)-8.7(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
 - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
 - (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.

Notwithstanding the forgoing, all RSU's must expire within twelve months following the date that the Person ceases to be an eligible Participant under the Plan.

- (f) Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Company in settlement of such Restricted Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of Restricted Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion (provided that such other form of payment complies with the rules of the TSXV). The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2&1/2 months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31st of the third year following the year of the grant date.

ARTICLE 9 DEFERRED SHARES UNITS

9.1 Grant of Deferred Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

9.2 Deferred Share Unit Agreement.

Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.

9.3 Nontransferability of Deferred Share Units.

The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

9.4 Black Out Periods.

If the date on which a Deferred Share Unit is scheduled to expire occurs during a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10-business day period.

9.5 Dividends and Other Distributions.

Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Deferred Share Units, and will be required to make payment in cash if the issuance of the dividend or Dividend Equivalent would result in the Company surpassing the limitations set forth in Sections 4.1, 4.2, 4.3 or 4.4 of the Plan.

9.6 Termination of Employment, Consultancy or Directorship.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Deferred Share Unit be retained for more than 12 months after the Termination Date.

9.7 Payment in Settlement of Deferred Share Units.

When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Company in settlement of such Deferred Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date less the stipulated purchase price for the Deferred Share Units being settled, if any, multiplied by the number of Deferred Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, (iii) in some combination thereof, or (iv) in any other form (provided that such other form of payment complies with the rules of the TSXV), all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units.

9.8 Vesting of DSUs

Each DSU granted to a Participant shall vest at such time(s) as the Committee shall determine at the time of grant and shall be specified in the Award Agreement. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no DSU may vest before the date that is one year following the date of grant.

ARTICLE 10 PERFORMANCE SHARE UNITS

10.1 Grant of Performance Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

10.2 Value of Performance Share Units.

Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

10.3 Earning of Performance Share Units.

Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

10.4 Form and Timing of Payment of Performance Share Units.

Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of: (i) cash equal to the value of the earned Performance Share

Units at the end of the applicable Performance Period, (ii) a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period, or (iii) in a combination thereof (subject to compliance with the rules of the TSXV). Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31st of the third year following the year of the grant date.

10.5 Dividends and Other Distributions.

Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Performance Share Units, and will be required to make payment in cash if the issuance of the dividend or Dividend Equivalent would result in the Company surpassing the limitations set forth in Sections 4.1, 4.2, 4.3 or 4.4 of the Plan.

10.6 Termination of Employment, Consultancy or Directorship.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Performance Share Unit be retained for more than 12 months after the Termination Date.

10.7 Non-transferability of Performance Share Units.

Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the Performance Share Units shall continue to be subject to the terms of the Plan). Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

10.8 Vesting of Performance Share Units

Each Performance Share Units granted to a Participant shall vest at such time(s) as the Committee shall determine at the time of grant and shall be specified in the Award Agreement. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no Performance Share Unit may vest before the date that is one year following the date of grant.

ARTICLE 11 BENEFICIARY DESIGNATION

11.1 Beneficiary.

A Participant's "beneficiary" is the Person or Persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

11.2 Discretion of the Committee.

Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 11, or both, in favor of another method of determining beneficiaries.

ARTICLE 12 RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

12.1 Employment.

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates of the Company, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate of the Company shall not be deemed a termination of employment for purposes of an Award.

12.2 Participation.

No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No Person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

12.3 Rights as a Shareholder.

A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

ARTICLE 13 CHANGE OF CONTROL

13.1 Discretion of Board.

Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards (provided, however, that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the TSXV is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control. With respect to U.S. Participant, the treatment of Awards upon a Change of Control shall be provided for in the Award Agreement.

13.2 Non-Occurrence of Change of Control.

In the event that any Awards are conditionally exercised pursuant to Section 13.1 and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.

13.3 Agreement with Purchaser in a Change of Control.

In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

ARTICLE 14 AMENDMENT AND TERMINATION

14.1 Amendment and Termination.

The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the TSXV, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. Any amendment that would cause an Award held by a Participant that is a U.S. taxpayer to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.

14.2 Reduction of Option Price or Grant Price.

Disinterested shareholder approval as required by the policies of the TSXV shall be obtained for any reduction in the Option Price of an Option, the Grant Price of a SAR (subject to the approval of the TSXV) or the extension of the term any Option if the Participant is an Insider of the Company at the time of the proposed amendment.

ARTICLE 15 WITHHOLDING

15.1 Withholding.

The Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

15.2 Acknowledgement.

Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

ARTICLE 16 SUCCESSORS

Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or the Affiliate, as applicable.

ARTICLE 17 GENERAL PROVISIONS

17.1 Delivery of Title.

The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

- (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

17.2 Investment Representations.

The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

17.3 Uncertificated Shares.

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis to the extent not prohibited by applicable law or the rules of the TSXV.

17.4 No Fractional Shares.

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

17.5 Other Compensation and Benefit Plans.

Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

17.6 No Constraint on Corporate Action.

Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.

17.7 Compliance with Canadian Securities Laws.

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

17.8 Compliance with U.S. Securities Laws.

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the *U.S. Securities Act of 1933*, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Company shall not be required to issue any Shares otherwise issuable hereunder.

ARTICLE 18 LEGAL CONSTRUCTION

18.1 Gender and Number.

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

18.2 Severability.

In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18.3 Requirements of Law.

The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18.4 Governing Law.

The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

18.5 Compliance with Section 409A of the Code.

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that the Plan and any Awards made hereunder shall not provide for the payment of “deferred compensation” within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administered and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute “deferred compensation” for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant’s disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of “change in control event”, “disability”, or “separation from service”, as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to

Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement.

- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Section 18.5 will apply to a Participant who is subject to taxation under the ITA.

APPENDIX “B”

**Proposed New Articles of
Manganese X Energy Corp.
(the “Company”)**

MANGANESE X ENERGY CORP.
(the “Company”)

Incorporation Number: BC1331664

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MANGANESE X ENERGY CORP.
(the "Company")

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) "board of directors", "directors" and "board" mean the directors or sole director of the Company, as the case may be;
- (2) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) "*Interpretation Act*" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) "legal personal representative" means the personal or other legal representative of a shareholder, and includes a trustee in bankruptcy of the shareholder;
- (5) "registered address" of a shareholder means that shareholder's address as recorded in the central securities register; and
- (6) "seal" means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if these Articles were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles.

1.3 Conflicts Between Articles and the *Business Corporations Act*

If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Share Certificate or Acknowledgement

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement, and delivery of a share certificate or acknowledgement, for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Share Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is worn out or defaced, the directors must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, the directors think fit:

- (1) order the share certificate or acknowledgement, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgement, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Share Certificate or Acknowledgement

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

- (1) proof satisfactory to the directors that the share certificate or acknowledgement is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a

specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Share Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

2.10 Certificates May be Uncertificated

Notwithstanding any other provisions of this Part, the directors may, by resolution, provide that:

- (a) The shares of any or all of the classes and series of the Company's shares may be uncertificated shares; or
- (b) Any specified shares may be uncertificated shares.

2.11 Direct Registration System

For greater certainty, but subject to this Article 2.11, a registered shareholder may have his holdings of shares of the Company evidenced by an electronic, book-based, direct registration system or other non-certificated entry or position on the register of shareholders to be kept by the Company in place of a physical share certificate pursuant to such registration system as may be adopted by the Company, in conjunction with its transfer agent. This Article 2.11 shall be read such that a registered holder of shares of the Company pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights and entitlements and shall incur the same duties and obligations as a registered holder of shares evidenced by a physical share certificate. The Company and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a share registration system by electronic, book-based, direct registration system or other non-certificated means.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which

shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SECURITIES REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

5.2 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, a transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.3 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.4 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.5 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OR REDEMPTION OF SHARES

7.1 Company Authorized to Purchase or Redeem Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase or Redemption When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

- (1) Subject to the *Business Corporations Act*, the Company may by resolution of the board of directors:
 - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (c) subject to Article 2.1, alter the identifying name of any of its shares;
 - (d) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (e) if the Company is authorized to issue shares of a class of shares with par value:
 - (A) decrease the par value of those shares; or
 - (B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (f) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; or

- (g) subject to Article 2.1, otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Change of Name

The Company may by resolution of the board of directors authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.3 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Meeting

A general meeting of the Company may be held anywhere in the world as determined by the directors.

10.5 Meetings by Telephone or Other Electronic Means

A meeting of the Company's shareholders may be held entirely or in part by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if approved by directors' resolution prior to the meeting and subject to the *Business Corporations Act*. Any person participating in a meeting by such means is deemed to be present at the meeting.

10.6 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1)
- (2) if and for so long as the Company is a public company, 21 days;
- (3) otherwise, 10 days.

10.7 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.9 Class Meetings and Series Meetings of Shareholders

Subject to the provisions of the *Business Corporations Act*, unless specified otherwise in these Articles or in the special rights and restrictions attached to any class or series of shares, the provisions of these Articles relating to general meetings will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.10 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and

- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.11 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of, or voting at, the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of, or voting at, the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment of an auditor;
 - (g) the setting of the remuneration of an auditor;
 - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two (2) shareholders entitled to vote at the meeting, present in person or represented by proxy.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the president (if any), the chief executive officer (if any), the chief financial officer (if any), the chief operating officer (if any), the secretary (if any), the assistant secretary (if any), the auditor of the Company, the lawyers for the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved; and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or

persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any;
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any; or
- (3) such other person designated by the directors.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, the person appointed under section 11.9 above is not present within 15 minutes after the time set for holding the meeting, or if such person is unwilling to act as chair of the meeting, or if such person has advised the secretary, if any, or any director present at the meeting, that such person will not be present at the meeting, the directors present must choose: one of their number, a senior officer or counsel to the Company to chair the meeting or if the director, senior officer or counsel present declines to take the chair or if the directors fail to so choose or if no director, senior officer or counsel is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for thirty days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution

is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of a meeting of the shareholders must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and during that period, make such ballots and proxies available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of the shareholders, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of the shareholders, personally or by proxy, and more than one of the joint shareholders votes in respect of that share, then only the vote of the joint shareholder present

whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of the shareholders by written instrument, fax or any other method of transmitting legibly recorded messages and:

- (1) for that purpose, the instrument appointing a representative must:
 - (a) be received at the registered office of the Company or at any other place specified for the receipt of proxies, in the notice calling the meeting, at least the number of business days for the receipt of proxies specified in the notice, or if no number of days is specified in the notice, at least, two business days before the day set for the holding of the meeting; or
 - (b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

12.6 Proxy Provisions Do Not Apply to All Companies

Article 12.9 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply. Sections 12.7 to 12.14 apply to the Company only insofar as they are not inconsistent with any applicable securities legislation and any regulations and rules made and promulgated under such legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commission or similar authorities appointed under that legislation.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of the shareholders of the Company may,

by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the instrument of proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.10 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form designated by the directors, the scrutineer or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):_____.

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder- printed]

12.11 Deposit of Proxy

A proxy for a meeting of shareholders must be by written instrument, fax or any other method of transmitting legibly messages and must:

- (1) be received at the registered office of the Company or at any other place specified for the receipt of proxies, in the notice calling the meeting, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, in the notice, at least two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be deposited at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.12 Revocation of Proxy

Subject to Article 12.13, every proxy may be revoked by an instrument in writing that is:

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) deposited with the chair of the meeting, at the meeting, before any vote in respect of which the proxy is to be used shall have been taken.

12.13 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.14 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*, or

- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies,

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceased to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors

may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16. DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

17. PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as the directors think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the board, if present at the meeting, does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:
 - (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that the chair of the board and the president will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings,

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this Article 17 may be evidence by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one entire document. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is deemed to effective on the date stated in the consent in writing and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to such meetings.

18. EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3 Obligations of Committees

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

18.5 Committee Meetings

Subject to Article 18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) the committee may meet and adjourn as it thinks proper;

- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

19. OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

20. INDEMNIFICATION

20.1 Definitions

In this Article 20:

- (1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director, officer, or former officer of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director, former director, officer or former officer of the Company:
 - (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) "expenses" has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company shall, to the fullest extent permitted by law, indemnify a director, former director, officer or former officer of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company may, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Subject to section 163 of the Business Corporations Act and subsection 162(2) of the Business Corporations Act, the Company shall pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of that proceeding. The company must not make the payments referred to above unless the Company first receives from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by section 163 of the Business Corporations Act, the eligible party will repay the amounts advanced. The rights of indemnification and advancement of expenses contained in this Article shall not be exclusive of any other rights to indemnification or similar protection to which any eligible party may be entitled under any agreement, vote of shareholders or disinterested directors, insurance policy or otherwise. Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*

The failure of a director, former director, officer or former officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

20.5 Company May Purchase Insurance

To the extent determined commercially reasonable by the directors of the Company, the Company may purchase and maintain director and officer insurance on terms and with the amount of coverage as may be determined commercially reasonable by the directors of the Company for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, officer, employee or agent of the Company;
- (2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

20.6 Heirs and Beneficiaries

The rights created by this Article shall inure to the benefit of each eligible party and each heir, executor and administrator of such Indemnified Person.

20.7 Effect of Amendment

Neither the amendment, modification nor repeal of this Article nor the adoption of any provision in these Articles inconsistent with this Article 20 shall adversely affect any right or protection of any eligible party with respect to any act or omission that occurred prior to the time of such amendment, modification, repeal or adoption.

21. DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 21 are subject to Article 2.1 and to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as the directors may deem advisable.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as the directors deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of such joint shareholders may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

22. DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23. NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:

- (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
 - (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
 - (5) making the record available for public electronic access in accordance with the procedures referred to as 'notice-and-access" under National Instrument 54-101 and National Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with similar electronic delivery or access method permitted by applicable securities legislation from time-to-time; or
 - (6) physical delivery to the intended recipient.

23.2 Deemed Receipt of Mailing

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the email address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; or
- (4) made available for public electronic access in accordance with the procedures referred to as 'notice-and-access" or similar delivery procedures referred to in Article 23.1(5) is deemed to be received by the person on the date it was made available for public electronic access.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other

record was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to such person:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24. SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as the directors may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

25. PROHIBITIONS

25.1 Definitions

In this Article 25:

- (1) "designated security" means:
 - (a) a voting security of the Company;
 - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) "security" has the meaning assigned in the *Securities Act* (British Columbia);
- (3) "voting security" means a security of the Company that:
 - (a) is not a debt security, and
 - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

25.2 Application

Article 25.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

25.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

26. ADVANCE NOTICE PROVISIONS

26.1 Nomination of Directors

- (1) Nominations of persons for election to the Board may be made at any Annual Meeting of shareholders or at any Special Meeting of shareholders if one of the purposes for which the Special Meeting was called was the election of directors. In order to be eligible for election to the Board at any Annual Meeting or Special Meeting of shareholders, persons must be nominated in accordance with one of the following procedures:
 - (a) by or at the direction of the Board or an authorized officer, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act (British Columbia) (the "BCA"), or a requisition of the shareholders made in accordance with the provisions of the BCA; or
 - (c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 26.1 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 26.1.
- (2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give notice which is both timely (in accordance with paragraph (3) below) and in proper written form (in accordance with paragraph (4) below) to the Secretary of the Company at the principal executive offices of the Company.
- (3) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be timely if:
 - (a) in the case of an Annual Meeting of shareholders, such notice is made not less than 30 nor more than 65 days prior to the date of the Annual Meeting of Shareholders; provided, however, that in the event that the Annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the Annual Meeting is made, notice by the Nominating Shareholder is made not later than the close of business on the tenth (10th) day following the Notice Date; and

- (b) in the case of a Special Meeting (which is not also an Annual Meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the Special Meeting of Shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this paragraph (3).

For greater certainty, the time periods for the giving of notice by a Nominating Shareholder as aforesaid shall, in all cases, be determined based on the original date of the applicable Annual Meeting or Special Meeting, and in no event shall any adjournment or postponement of an Annual Meeting or Special Meeting or the announcement thereof commence a new time period for the giving of such notice.

- (4) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be in proper form if:
 - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, such notice sets forth: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined in paragraph 7 below); and
 - (b) as to the Nominating Shareholder giving the notice, such notice sets forth any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined in paragraph 7 below).
- (5) The Company may require any proposed nominee for election as a Director to furnish such additional information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (6) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 26.1; provided, however, that nothing in this Article 26.1 shall be deemed to restrict or preclude discussion by a shareholder (as distinct from the nomination of directors) at an Annual Meeting or Special Meeting of any matter that is properly brought before

such meeting pursuant to the provisions of the BCA or at the discretion of the Chairman of the meeting. The Chairman of the meeting shall have the power and duty to determine whether any nomination for election of a director was made in accordance with the procedures set forth in this Article 26.1 and, if any proposed nomination is not in compliance with such procedures, to declare such nomination defective and that it be disregarded.

- (7) For purposes of this Article 26:
- (a) "**Annual Meeting**" means any annual meeting of Shareholders;
 - (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such laws and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar securities regulatory authority of each province and territory of Canada;
 - (c) "**BCA**" means the *Business Corporations Act* (British Columbia), as amended;
 - (d) "**Board**" means the board of directors of the Company as constituted from time to time;
 - (e) "**Public Announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com; and
 - (f) "**Special Meeting**" means any special meeting of Shareholders if one of the purposes for which such meeting is called is the election of directors.
- (8) Notwithstanding any other provision of this Article 26.1, notice given to the Secretary of the Company pursuant to this Article 26.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this Article 26.1), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
- (9) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this Article 26.1.

26.2 Application

- (1) Article 26.1 does not apply to the Company in the following circumstances:
 - (a) if and for so long as the Company is not a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply; or
 - (b) to the election or appointment of a director or directors in the circumstances set forth in Article 14.7.
- (2) Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or make or cause to be delivered or made all such filings and documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.

APPENDIX “C”

**Charter of the Audit Committee of the Board of Directors of
Manganese X Energy Corp.
(the “Company”)**

**Charter of the Audit Committee of the Board of Directors of
Manganese X Energy Corp.
(the “Company”)**

Audit Committee Charter and Terms of Reference

Mandate

The primary function of the Audit Committee (the “**Audit Committee**”) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels.

The Audit Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

Composition

The Audit Committee shall be comprised of at least three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices within a reasonable period of time following his/her appointment to the Audit Committee. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a balance sheet, an income statement and a cash flow statement. The definition of “accounting or related financial management expertise” is the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

The members of the Audit Committee shall be elected by the Board at its first meeting following the Meeting. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

Meetings

The Audit Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee should meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

1. Review and update this Charter annually.

2. Review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

1. Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Audit Committee as representatives of the shareholders of the Company.
2. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors.
4. Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
5. Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
7. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
8. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
9. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

1. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

2. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- 8.
9. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
10. Review certification process.
11. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters and periodically assess the adequacy of these procedures.

Other

The Audit Committee will review any related party transactions.