

FALCON ENERGY MATERIALS PLC

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 9, 2025

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of ordinary shares (the “**Ordinary Shares**”) of Falcon Energy Materials plc (the “**Corporation**”) will be held in the boardroom at Level 7, Al Maryah Tower, Al Maryah Island, Abu Dhabi Global Market, United Arab Emirates, on June 9, 2025 at 5:00 P.M. (Abu Dhabi Time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation and the report of the Corporation's auditor thereon for the year ended December 31, 2024;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint each of PricewaterhouseCoopers LLP, chartered accountants, in accordance with applicable Canadian legal requirements, and Grant Thornton Audit and Accounting Limited, in accordance with Abu Dhabi Global Market legal requirements as the Corporation's independent external auditors for the ensuing year, and to authorize the directors to fix their remuneration;
4. to ratify the issuance of 10,874,832 units of the Corporation (each a “**Unit**”) for gross proceeds of \$6,524,900, each Unit being comprised of one Ordinary Share and one non-transferable share purchase warrant;
5. to approve the sale of 4,166,666 Units to La Mancha Investments S.à r.l. (“**La Mancha**”) and the creation of a new “Control Person”, La Mancha;
6. to grant the board of directors of the Corporation the authority to allot, until June 9, 2026, up to an additional number of Ordinary Shares equal to 100% of the total number of issued and outstanding Ordinary Shares as of the Record Date, representing up to 128,413,727 additional Ordinary Shares, including securities convertible or exchangeable into Ordinary Shares, at a minimum purchase price per Ordinary Share based on the then applicable TSX Venture Exchange (the “**TSXV**”) rules for financing purposes, subject to obtaining all required regulatory approvals, including approval from the TSXV; and
7. to transact such other business as may properly be brought before the Meeting, or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular accompanying this Notice as at May 2, 2025, which Circular forms part of this Notice.

Registered Shareholders

Each registered holder of Ordinary Shares of the Corporation at the close of business on May 2nd, 2025 (the “**Record Date**”) is entitled to receive notice of, and to vote such Ordinary Shares at the Meeting, either in person or by proxy, in accordance with the procedures described in the Circular. Registered Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Ordinary Shares will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy to the Proxy Dept., Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address by 5:00 P.M. (Abu Dhabi Time) on June 7, 2025. A holder of Ordinary Shares may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to different Ordinary Share(s) held by such holder. Further instructions with respect to voting by proxy are provided in the form of proxy and in the Circular accompanying this Notice.

Non-Registered Shareholders

Shareholders may also beneficially own Ordinary Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary. If a Shareholder holds its Ordinary Shares in a brokerage account, such Shareholder is not a registered Shareholder. Without specific instructions, intermediaries are prohibited from voting Ordinary Shares for their clients. If a Shareholder is a non-registered Shareholder, it is vital that the voting instruction form provided to such Shareholder be returned according to the instructions, sufficiently in advance of the deadline specified by the broker, intermediary or its agent, to ensure that they are able to provide voting instructions on such Shareholder's behalf.

Every Shareholder's participation is important to us, and we encourage Shareholders to exercise their vote by completing the proxy form prior to the meeting, even if Shareholders expect to attend.

DATED at Abu Dhabi, United Arab Emirates, this 2nd day of May, 2025.

BY ORDER OF THE BOARD OF DIRECTORS

"Matthieu Bos"

Matthieu Bos,
President and Chief Executive Officer

MANAGEMENT PROXY CIRCULAR

As at and Dated May 2, 2025

(Unless otherwise noted)

This Management Proxy Circular (the “**Circular**”) accompanies the Notice of the 2025 Annual General Meeting (the “**Notice of Meeting**”) of holders (the “**Shareholders**”) of ordinary shares (the “**Ordinary Shares**”) of Falcon Energy Materials plc (the “**Corporation**”) scheduled to be held in the Boardroom at Level 7, Al Maryah Tower, Al Maryah Island, Abu Dhabi Global Market, United Arab Emirates on June 9, 2025, at 5:00 P.M. (Abu Dhabi Time) (together with all adjournments and postponements thereof, the “**Meeting**”). Unless otherwise noted, information in this Circular is given as at May 2, 2025 and all currency amounts are shown in Canadian dollars. This Circular is provided in connection with the solicitation by management of the Corporation of proxies to be used at the Meeting and all adjournments or postponements thereof.

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.

FORWARD-LOOKING STATEMENTS

This Circular contains “forward-looking information” or “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements are included to provide information about management’s current expectations and plans that allows investors and others to have a better understanding of the Corporation’s business plans and financial performance and condition.

All statements, other than statements of historical fact included in this Circular, regarding the Corporation’s strategy, future operations, prospects, plans and objectives are forward-looking statements. Forward-looking statements are typically identified by words such as “plan”, “expect”, “estimate”, “intend”, “anticipate”, “believe”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information is based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Corporation to be materially different from future results, performance or achievements expressed or implied by such information or statements. There can be no assurance that such information or statements will prove to be accurate. Key assumptions upon which the Corporation’s forward-looking information is based include the Corporation’s ability to obtain necessary Shareholder approvals with respect to the 2025 Private Placement (as defined below), the La Mancha Participation (as defined below) and the Authorized Capital (as defined below).

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Forward-looking statements are also subject to risks and uncertainties facing the Corporation’s business, any of which could have a material adverse effect on the Corporation’s business. Some of the risks the Corporation faces and the uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements include the Corporation’s ability to obtain the required Shareholder approvals with respect to the 2025 Private Placement, the La Mancha Participation and the Authorized Capital; environmental and safety regulations; the Corporation’s reliance on key personnel; the Corporation’s reliance on key business relationships; the Corporation’s growth strategy; the Corporation’s ability to obtain insurance; occupational health and safety risks; adverse publicity risks; third party risks; disruptions to the Corporation’s business operations; the Corporation’s reliance on technology and information systems; litigation risks; tax risks; unforeseen expenses; public health crises; climate change; general economic conditions; commodity prices and exchange rate risks; geopolitical matters; volatility of share price; public company obligations; competition risk; dividend policy; policies and legislation; force majeure; and changes in technology. In addition, readers are directed to carefully review the detailed risk discussion in the Corporation’s MD&A for the year ended December 31, 2024 filed on SEDAR+, which discussion is incorporated by reference in this Circular, for a fuller understanding of the risks and uncertainties that affect the Corporation’s business and operations.

Although the Corporation believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. As such, these risks are not exhaustive; however, they should be considered carefully. If any of these risks or uncertainties materialize, actual results may vary materially from those anticipated in the forward-looking statements found herein. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, readers should not place undue reliance on forward-looking statements. Forward-looking statements contained

herein are presented for the purpose of assisting investors in understanding the Corporation's rationale behind its strategy and business plans and may not be appropriate for other purposes. The assumptions referred to above should be considered carefully by readers. Forward-looking statements are made as of the date hereof, and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law. The Corporation qualifies all of its forward-looking statements by these cautionary statements.

DELIVERY OF MEETING MATERIALS AND VOTING INFORMATION

Solicitation of Proxies

This Circular is delivered in connection with the solicitation of proxies by management for use at the Meeting or any adjournment(s) or postponement(s) thereof, at the place and for the purposes set out in the accompanying Notice of Meeting. The solicitation of proxies from Shareholders will be made primarily by mail but proxies may also be solicited by telephone or other electronic means of communication by officers, directors or regular employees of the Corporation at nominal cost. Employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders in favour of the matters set forth in the Notice of the Meeting. The Corporation may pay brokers or other persons holding Ordinary Shares in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Circular to beneficial owners of Ordinary Shares and obtaining proxies thereof. The cost of the solicitation of proxies will be borne by the Corporation.

Specific Voting Information for Registered Shareholders and Revocation of Proxies

Holders of Ordinary Shares are registered Shareholders if the Ordinary Shares are registered in their name. This means that their name appears in the Shareholders' register maintained by the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"). Registered Shareholders can vote at the Meeting or can vote by proxy whether or not they are able to attend the Meeting in person.

The persons named in the form of proxy accompanying this Circular are officers and/or directors of the Corporation. **A registered Shareholder has the right to appoint a person or company (who need not be a Shareholder) to represent the registered Shareholder at the Meeting other than the persons designated in the form of proxy accompanying this Circular. A registered Shareholder may exercise this right either by inserting the name of that person or company in the blank space provided in the form of proxy and striking out the other names or by completing another proper form of proxy. A registered Shareholder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to different Ordinary Share(s) held by such registered Shareholder.** Each Shareholder shall make sure the person they are appointing is aware that he or she has been appointed and attends the Meeting on his or her behalf as Shareholder's votes can only be counted if the person they appoint attends the Meeting and votes the Shareholder's shares according to the Shareholder's instructions. Each Shareholder's proxyholder should confirm to Computershare his or her attendance upon registration at the Meeting.

Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed proxy and returning it to the Corporation's transfer agent, Computershare, by mail or by hand to the Proxy Dept., 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the Shareholder's account number and the proxy control number; or
- (c) using the Internet through the website of the Corporation's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the Shareholder's account number and the proxy control number.

To be effective, proxies must be deposited at the office of the Corporation's registrar and transfer agent, Computershare Investor Services Inc., Proxy Dept., 8th Floor, 100 University Avenue, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, no later than 5:00 P.M. (Abu Dhabi Time) on June 7, 2025. Proxies delivered after that time will not be accepted.

Proxies given by registered Shareholders for use at the Meeting may be revoked at any time before their use. In addition to revocation, if any, or other matters permitted by law, a proxy may be revoked (i) by depositing an instrument in writing, including another completed form of proxy, executed by the registered Shareholder, by the registered Shareholder's attorney duly authorized in writing, or where the registered Shareholder is a corporation, by a duly authorized officer or attorney of such corporation, and delivered to the registered office of the Corporation, Level 7, Al Maryah Tower, Al Maryah Island, Abu Dhabi Global Market, United Arab Emirates, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or with the chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, (ii) if the registered Shareholder attends the Meeting, by voting itself, or (iii) in any other manner permitted by law. **A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.**

Specific Voting Information for Non-Registered Shareholders and Changing Voting Instructions

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders are not registered Shareholders. Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders because the Ordinary Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased the Ordinary Shares. More particularly, a person is not a registered Shareholder in respect of Ordinary Shares which are held on behalf of that person (the "**Beneficial Shareholder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of the Ordinary Shares (Intermediaries include, among other persons, banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIAs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. Without specific instructions, Intermediaries and their agents and nominees are prohibited from voting shares for the Intermediaries' clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Ordinary Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Corporation to its registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e., the Intermediary) how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails the VIFs to the Beneficial Shareholders and asks Beneficial 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 Ordinary Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Ordinary Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Ordinary Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Ordinary Shares voted. If any Shareholder has any questions respecting the voting of Ordinary Shares held through a broker or other Intermediary, please contact that broker or other Intermediary for assistance.**

It is important to note that Beneficial Shareholders fall into two (2) categories – those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**Regulation 54-101**"), issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agents. Pursuant to Regulation 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If a Shareholder is a NOBO and the Corporation or its agent has sent these materials directly to such Shareholder, his or her name, address and information about his or her holdings of Ordinary Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Ordinary Shares on such Shareholder's behalf.

In connection with the Meeting, the Corporation is taking advantage of the provisions of Regulation 54-101 permitting the Corporation to deliver proxy-related materials directly to its NOBOs in addition to sending such materials to its registered Shareholders. The Corporation's NOBOs can thus expect to receive a scannable VIF from Computershare. They can complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the Ordinary Shares represented by the VIFs they receive.

By choosing to send these materials to NOBOs directly, the Corporation (and not the Intermediary holding shares on behalf of a NOBO) has assumed responsibility for (i) delivering Meeting materials to each NOBO, and (ii) executing the NOBO's proper voting instructions. NOBOs should return their voting instructions as specified in the VIF.

For any Shareholder who is an OBO, the Corporation will pay for Intermediaries to send the Notice of Meeting and VIF directly to such Shareholder and such Shareholder can expect to be contacted by Broadridge or their Intermediary as set out above. OBOs should complete and return the VIF to Broadridge in accordance with the instructions provided on such VIF.

Although a Beneficial Shareholder may not attend the Meeting in such capacity or be recognized directly at the Meeting for the purposes of voting Ordinary Shares registered in the name of his or her Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Ordinary Shares in that capacity. Regulation 54-101 allows a Beneficial Shareholder who is a NOBO or an OBO to submit to the Corporation or an applicable Intermediary any document in writing that requests that the NOBO, the OBO or a nominee of the NOBO or OBO be appointed as proxyholder. If such a request is received, the Corporation or an Intermediary, as applicable, must arrange, without expense to the NOBO or OBO, to appoint such NOBO, OBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Corporation or the Intermediary receives such written instructions from the NOBO or OBO at least one (1) business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 5:00 p.m. (Abu Dhabi Time) on the day which is at least one (1) business day prior to the Meeting. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Ordinary Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the proxy provided to them and return the same to the Intermediary in accordance with the instructions provided by such Intermediary.**

Furthermore, only registered Shareholders have the right to revoke a proxy. Non-registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and, if necessary, revoke their proxy in accordance with the revocation procedures.

The Corporation has not adopted the notice and access procedure described in Regulation 54-101 and *Regulation 51-102 respecting Continuous Disclosure Obligations* ("**Regulation 51-102**") to distribute its proxy-related materials to registered Shareholders and Beneficial Shareholders.

All references to Shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to Shareholders of record as of the Record Date (as defined below), unless specifically stated otherwise.

Voting

When a Shareholder votes by proxy, he or she is giving his or her proxyholder the authority to vote his or her shares for him or her according to such Shareholder's instructions. A Shareholder's shares will be voted or withheld from voting in accordance with his or her instructions on any ballot at the Meeting that may be called for with respect to that matter. **If a Shareholder returns his or her form of proxy or VIF without specifying how he or she wants to vote his or her shares or by specifying both choices, such Ordinary Shares will not be voted on each such matters.** If a Shareholder appointed a proxyholder other than the persons named in the enclosed proxy form and returned his or her form of proxy or VIF without specifying how he or she wants to vote his or her shares, the proxyholder appointed by such Shareholder will not be allowed to vote on each such matters.

If there are ancillary or procedural changes or new items, a Shareholder's proxyholder has the discretionary authority to vote such Shareholder's shares on the ancillary or procedural matters as he or she sees fit. The proxy does not confer discretionary authority on the proxyholder, other than ancillary or procedural matters, with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law.

As at the date of this Circular, management knows of no such amendments or variations or other matters that may properly come before the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting has been fixed as May 2nd, 2025 (the "**Record Date**").

To the knowledge of the directors and senior officers of the Corporation, as at May 2nd, 2025, the following shareholders beneficially own, exercise control over or direct, whether directly or indirectly, Ordinary Shares carrying 10% or more of the voting rights attached to all issued and outstanding shares of the Corporation:

Name of Shareholder	Approximate Number of Shares	Approximate Percentage of Issued and Outstanding
La Mancha Investments S.à.r.l.	27,442,941	22.087%
Sama Resources Inc.	15,180,377	12.21%
Coris Capital SA	12,583,333	10.12%

Note:

(1) The information is based upon reports filed on the SEDI website at www.sedi.ca and is not within the direct knowledge of the Corporation.

Shares

The authorized capital of the Corporation consists of an unlimited number of Ordinary Shares without par value and an unlimited number of class 1 preferred shares, all subject to the rights, privileges, restrictions and conditions as set forth in the articles of continuance of the Corporation (the “**Articles of Continuance**”). As at the Record Date, 124,247,061 Ordinary Shares were issued and outstanding.

Only Shareholders of record holding Ordinary Shares at the close of business on the Record Date, who either personally attend the Meeting or who have duly completed and delivered a form of proxy in the manner and subject to the limitations described above shall be entitled to vote or to have their Ordinary Shares voted at the Meeting.

Each Ordinary Share entitles the holder thereof to one vote on all matters to come before the Meeting.

Under the terms of a private placement financing (the “**Coris Offering**”) announced on August 15, 2017, between Coris Capital SA (“**Coris**”) and the Corporation it was agreed that upon the closing of the Coris Offering, for so long as Coris continues to beneficially own, or exercise control or direction over either:

- (a) a 12% interest (on a fully diluted basis) of the then issued and outstanding Ordinary Shares, Coris will be entitled to nominate one director on the board of directors of the Corporation (the “**Board**”); or
- (b) a 15% interest (on a fully diluted basis) of the then issued and outstanding Ordinary Shares; Coris will be entitled to nominate two directors on the Board.

Coris currently holds 10.71% of the issued and outstanding shares of the Corporation and has one Coris nominee on the Board. Under the terms of the investment agreement dated March 31, 2022 between La Mancha Investments S.à.r.l. (“**La Mancha**”) and the Corporation (the “**Investment Agreement**”), it was agreed that, for so long as La Mancha continues to beneficially own, or exercise control or direction over either:

- (a) a 10% interest of the then issued and outstanding Ordinary Shares, La Mancha will be entitled to nominate one director on the Board; or
- (b) a 15% interest of the then issued and outstanding Ordinary Shares, La Mancha will be entitled to nominate two directors on the Board.

La Mancha currently holds 23.35% of the issued and outstanding shares of the Corporation and has two nominees on the Board.

Under the terms of the Investment Agreement, the Corporation granted La Mancha customary anti-dilution rights in respect of any proposed financing for cash by way of a public offering or private placement (a "**Subsequent Offering**") of Ordinary Shares, other voting or equity shares of the Corporation or securities exchangeable for or convertible into Ordinary Shares or other voting or equity shares of the Corporation ("**Equity Securities**"), as well as in respect of issuances of Equity Securities other than Subsequent Offerings as further described in the Investment Agreement (collectively, the "**Anti-Dilution Rights**"). The Anti-Dilution Rights may be exercised by La Mancha in whole or in part. La Mancha will cease to have any Anti-Dilution Rights if the pro rata interest of La Mancha and its affiliates falls below 10%, provided that such Anti-Dilution Rights will continue if subsequently and within 60 days the pro rata share again increases to at least 10%, and the Investment Agreement has not otherwise terminated.

La Mancha has the right to demand that the Corporation file a prospectus under Canadian securities laws, within 45 days of receiving a written request to this effect from La Mancha, qualifying for distribution in Canada all or any portion of the Equity Securities held by La Mancha or its affiliates (a "**Demand Registration**"). If the Corporation proposes to file a preliminary prospectus or prospectus supplement for the public distribution of Equity Securities, La Mancha has the right to request that the Corporation include all or some of the Equity Securities held by La Mancha and/or its affiliates in such distribution.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a proxy, and every person who is a representative of one or more corporate Shareholders, will have one vote for each Ordinary Share registered in that Shareholder's name on the list of Shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting. Every proxyholder is entitled to vote on a show of hands. On a vote by show of hands, a proxyholder has a maximum of two (2) votes (one (1) for and one (1) against) in the situation that they are instructed to vote by two (2) or more Shareholders and those Shareholders give different voting instructions. For the avoidance of doubt, if a proxyholder is representing ten (10) Shareholders, and nine (9) of those Shareholders instruct the proxyholder to vote in favour and one (1) Shareholder instructs the proxyholder to vote against, the proxyholder shall vote once for the resolution (on behalf of the nine (9) Shareholders) and once against (on behalf of the one (1) shareholder). In the same example, if all ten (10) Shareholders are in favour of the matter to be voted upon, the proxyholder only has one (1) vote in favour.

BUSINESS OF THE MEETING

The matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting and as described herein.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

Pursuant to the provisions of the Articles of Continuance, the directors of the Corporation will submit to the Shareholders at the Meeting the audited financial statements of the Corporation and the Auditor's Report thereon for the financial year ended December 31, 2024, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

ELECTION OF DIRECTORS

The Board presently consists of seven (7) directors. The Articles of Continuance provide that the Board shall consist of a minimum of three (3) and a maximum of twelve (12) directors. Shareholders will be asked to elect seven (7) directors for the ensuing year. The term of office of each of the present directors expires at the Meeting. Each director nominee is now a director of the Corporation and has been a director of the Corporation since the date indicated herein. Management of the Corporation does not contemplate that any of such nominees will be unable to serve as a director of the Corporation for the ensuing year but if that should occur for any reason prior to the Meeting or any adjournment or postponement thereof, the persons named in the form of proxy accompanying this Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion, if the Shareholder grants such use of discretion in the form of proxy. Each director of the Corporation elected at the Meeting will hold office until the next annual general meeting of the Shareholders held following his election, unless he resigns or is removed as a director of the Corporation in accordance with the Articles of Continuance.

The Corporation expects all of its directors to demonstrate leadership and integrity and to conduct themselves in a manner that reinforces our corporate values and culture of transparency, teamwork and individual accountability. Above all, the Corporation expects that all directors will exercise their good judgment in a manner that keeps the best interests of the Corporation at the forefront of decisions and deliberations. Each candidate must have a demonstrated track record in several of the skills and experience requirements deemed important for a balanced and effective Board.

The name, province or state and country of residence of each nominee, their position with the Corporation, their principal occupation during the last five (5) years including principal directorships with other reporting issuers as well as other public and para-public corporations, the date upon which they became a director of the Corporation and the number of Ordinary Shares beneficially owned, directly or indirectly, by them, or over which control or direction is exercised by them, as of the Record Date, is as follows:

Name, Province or State and Country of Residence and Position with Corporation	Principal Occupation During the Last Five Years	Director Since	Number of Ordinary Shares Owned or Over Which Control or Direction is Exercised (Percentage of the Issued and Outstanding Ordinary Shares)
BENOIT LA SALLE ⁽³⁾ Québec, Québec, Canada Non-Independent Director Executive Chairman of the Board	Chartered Professional Accountant; President and Chief Executive Officer of Aya Gold & Silver Inc. (April 2020 to date); Chairman of the Board and Chief Executive Officer of Algold Resources Ltd. (February 2013 to June 2020); Chairman of the Board of The Canadian Council on Africa (October 2012 to date); Executive Chairman of the Board of Sama Resources Inc. (2012 to date); Director of Earth Alive Clean Technologies Inc. (October 2015 to June 2022); Lead Director at Goviex Uranium Ltée (October 2012 to date).	2016	1,559,867 (1.255%)
MARC FILION ⁽⁵⁾ Québec, Québec, Canada Independent Director	President of CHIM International (April 2006 to September 2020).	2016	77,500 (0.062%)
YVES GROU ⁽³⁾⁽⁵⁾ Outremont, Québec, Canada Independent Director	Chartered Professional Accountant, director of Aya Gold & Silver Inc., (June 2020 to date); CFO and director of Maclos Capital Inc. (October 2001 to date); Director of Algold Resources Ltd. (May 2011 to July 2021).	2017	1,359,867 (1.094%)
ABDOUL AZIZ NASSA ⁽⁵⁾⁽⁶⁾ Ouagadougou, Burkina Faso Independent Director	Director of Falcon Energy Materials plc from 2017 to date.	2017	12,000 (0.009%)
ALHAMDOU DIAGNE Paris, France Independent Director	President, DA Consulting (2019 to date).	2020	NIL
VINCENT BENOIT ⁽⁷⁾ Paris, France Non-Independent Director	Managing Partner, La Mancha Resources Capital (2021 to date); Managing Director of La Mancha UK (2019 to 2021).	2022	NIL

EMMA LE STER ⁽⁵⁾⁽⁸⁾ London, England Non-Independent Director	Vice President, Corporate Finance & Investments, La Mancha Resource Capital (June 2022 to date); Associate VP - London, Societe Generale Corporate & Investment Banking (November 2019 to June 2022).	2024	NIL

Notes:

- (1) *The information as to province or state, country of residence and principal occupation was furnished by the respective directors, not being within the knowledge of the Corporation.*
- (2) *Member of the Corporate Governance, Nomination and Compensation Committee (the "CGNC Committee").*
- (3) *Of the 1,559,867 shares held by Mr. La Salle, 1,359,867 shares are held indirectly by PGL Capital Inc., a company controlled jointly by Messrs. La Salle and Grou.*
- (4) *The 1,359,867 shares are held indirectly by PGL Capital Inc. a company controlled jointly by Messrs. La Salle and Grou.*
- (5) *Member of the Audit Committee.*
- (6) *Mr. Nassa was appointed to the Board as director nominee of Coris. Previously, Mr. Nassa, as the Coris nominee, had a material relationship with the Corporation by virtue of Coris' then shareholdings in the Corporation; at the current shareholding level, the nominee of Coris is no longer considered to have a material relationship with the Corporation.*
- (7) *Mr. Benoit was appointed to the Board as a director nominee of La Mancha. Mr. Benoit has a material relationship with the Corporation by virtue of La Mancha's shareholdings in the Corporation.*
- (8) *Mr. Olivier Colom resigned from the Board of Directors and a director nominee of La Mancha on October 4, 2024. Ms. Emma Le Ster was appointed to the Board of Directors on October 4, 2024 as a director nominee of La Mancha to fill the vacancy created by the resignation of Mr. Colom.*

Director Independence

In determining whether a director is an independent director, the Board applies the standards developed by the Canadian Securities Administrators (the "CSA"). A director is not independent if such a director has a direct or indirect relationship that the Board believes could reasonably be expected to interfere with their ability to exercise independent judgment.

Interlocking Directorships

As of the date of the Circular, there are no interlocks of the independent director nominees serving on the governance or equivalent committee or board of directors of another reporting issuer that has any executive officer or director serving on the CGNC Committee or on the Board. However, there is one interlocking relationship, namely: Messrs. La Salle and Grou who both serve on the board of directors of Aya Gold & Silver Inc. The Board assessed the interlock and determined that there was no conflict or other concerns for the Corporation.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed herein, no proposed director (or any of such director's personal holding companies) of the Corporation:

- (a) is, as 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 corporation, including the Corporation, that was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days:
 - (i) that was issued while the proposed director was acting in the capacity as director, executive officer or chief financial officer; or
 - (ii) 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, executive officer or chief financial officer;
- (b) is as at the date of this Circular or has been within the 10 years before the date of this Circular, a director or executive officer of any corporation, including the Corporation, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

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

No proposed director, other than shown below, (or any of such director's personal holding companies) has been subject to:

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

Mr. Benoit La Salle was the President, Executive Officer and director of Algold Resources Ltd. ("**Algold**") when it filed under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in February 2021. A proposal made in the context of a notice of intention was approved by the creditors and homologated by the court on March 26, 2021. Under such proposal, Algold became a wholly owned subsidiary of Aya Gold & Silver Inc. ("**Aya**"), effective as of June 11, 2021. Mr. La Salle was also President, Executive Officer and director of Algold when the Autorité des marchés financiers ("**AMF**") and the Ontario Securities Commission ("**OSC**") handed down a cease trade order against Algold on June 22, 2020 for having failed to file its annual statements for the fiscal year ended December 31, 2019. In addition, this decision came into effect automatically in every jurisdiction in Canada in which Algold was a reporting issuer that has automatic reciprocity legislation.

Mr. Yves Grou was a director of Algold when it filed under the BIA in February 2021. A proposal made in the context of a notice of intention was approved by the creditors and homologated by the court on March 26, 2021. Under such proposal, Algold became a wholly owned subsidiary of Aya, effective as of June 11, 2021. Mr. Grou was also director of Algold when the AMF and the OSC handed down a cease trade order against Algold on June 22, 2020 for having failed to file its annual statements for the fiscal year ended December 31, 2019. In addition, this decision came into effect automatically in every jurisdiction in Canada in which Algold was a reporting issuer that has automatic reciprocity legislation. Yves Grou was also a non-executive director of Jourdan Resources Inc. ("**Jourdan**") when, on May 25, 2015, the OSC issued a permanent management cease trade order, which superseded a temporary management cease trade order dated May 12, 2015, against the CEO and the CFO of Jourdan. The permanent management cease trade order was issued in connection with Jourdan's failure to file its (a) audited annual financial statements for the period ended December 31, 2014, (b) management's discussion and analysis relating to the audited annual financial statements for the period ended December 31, 2014, and (c) corresponding certifications of the foregoing filings as required by *Regulation 52-109 respecting Certification of Disclosure*. On July 3, 2015, the permanent management cease trade order was replaced with a temporary issuer cease trade order dated July 3, 2015. On July 15, 2015, the temporary issuer cease trade order was replaced with a permanent issuer cease trade order dated July 15, 2015 and similar orders were issued by the British Columbia Securities Commission and the AMF. The cease trade orders were lifted on February 21, 2017 following the filing of the required continuous disclosure documents.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the respective directors.

Note that a Shareholder can vote for all of these proposed directors, vote for some of them and vote against others, or vote against all of them.

THE BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE ORDINARY RESOLUTION TO ELECT THE NOMINEES LISTED HEREIN. SUBJECT TO THE REQUIRED QUORUM, AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.

APPOINTMENT OF EXTERNAL AUDITORS

On February 26, 2025, the Corporation requested the resignation of Raymond Chabot Grant Thornton LLC ("**RCGT**") as the external auditor of the Corporation and appointed each of PricewaterhouseCoopers LLP ("**PWC**") and Grant Thornton Audit and Accounting Limited ("**GT UAE**") as replacement external auditors of the Corporation. At the Meeting, the Shareholders will be asked to appoint each of PWC, in compliance with applicable Canadian legal requirements, and GT UAE, in compliance with

Abu Dhabi Global Market legal requirements, as external auditors of the Corporation to hold office until the next annual meeting of Shareholders, or until a successor is appointed and to authorize the Board of Directors to fix the auditors' remuneration. There were no reportable events between the Corporation and RCGT and no modified opinions by RCGT for the purposes of Regulation 51-102. A "reportable event" as defined in Regulation 51-102 is a disagreement, a consultation, or an unresolved issue with auditors.

A copy of the Corporation's reporting package with respect to the change in external auditor, including the Notice of Change of Auditor, a letter from RCGT and a letter from PWC, is attached as Schedule "A" to this Circular.

THE BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE ORDINARY RESOLUTION TO APPOINT EACH OF PRICEWATERHOUSECOOPERS LLP, CHARTERED ACCOUNTANTS, IN ACCORDANCE WITH APPLICABLE CANADIAN LEGAL REQUIREMENTS, AND GRANT THORNTON AUDIT AND ACCOUNTING LIMITED, IN ACCORDANCE WITH ABU DHABI GLOBAL MARKET LEGAL REQUIREMENTS, AS EXTERNAL AUDITORS OF THE CORPORATION AND TO AUTHORIZE THE DIRECTORS TO FIX THE AUDITORS' REMUNERATION. SUBJECT TO THE REQUIRED QUORUM, AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.

APPROVAL OF OTHER MATTERS TO BE ACTED UPON

Ratification of previous issuance of Ordinary Shares under the 2025 Private Placement

On March 24, 2025 the Corporation closed a non-brokered private placement of 10,874,832 units (each a "Unit") for gross proceeds of \$6,524,900 (the "**2025 Private Placement**"). Each Unit is comprised of one Ordinary Share and one non-transferable share purchase warrant (a "**Warrant**"). Each Warrant grants the holder the right to purchase one additional Ordinary Share (a "**Warrant Share**") at a price of \$0.75 per Warrant Share for a period of 36 months from the closing of the 2025 Private Placement. The proceeds of the 2025 Private Placement will be used to advance the development of the Corporation's projects in Morocco and Guinea, as well as for general working capital requirements.

For good order, Shareholders are being asked to consider and pass an ordinary resolution (the "**2025 Private Placement Resolution**") to ratify the issuance of 10,874,832 Units, each Unit being comprised of one Ordinary Share and a Warrant to purchase an additional Warrant Share.

The effect of such ratification is that the issuance of the Ordinary Shares and the Warrant Shares pursuant to the 2025 Private Placement will be deemed to have been made with the approval of Shareholders.

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE 2025 PRIVATE PLACEMENT RESOLUTION. SUBJECT TO THE REQUIRED QUORUM, AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.

Ratification of Control Person

Pursuant to TSXV Policy 1.1 – *Interpretation* ("**Policy 1.1**"), a "Control Person" is defined as any person that holds or is one of a combination of persons that holds a sufficient number of securities of an issuer so as to affect materially the control of the issuer or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

On March 18, 2022, La Mancha Investments S.à r.l. ("**La Mancha**") entered into a subscription agreement with the Corporation pursuant to which La Mancha agreed to subscribe for 22,442,941 Ordinary Shares at a price of \$0.56 per Ordinary Share for aggregate cash consideration of \$12,568,047 (the "**2022 Subscription**"). Following completion of the 2022 Subscription, La Mancha beneficially owned and had control and direction over an aggregate of 22,442,941 Ordinary Shares, representing 19.9% of the then issued and outstanding Ordinary Shares.

On May 17, 2022, La Mancha entered into a share purchase agreement with a shareholder of the Corporation pursuant to which La Mancha acquired 5,000,000 Ordinary Shares at a price of \$0.70 per Ordinary Share for aggregate cash consideration of \$3,500,000 (the "**2022 Share Purchase**"). As a result of the 2022 Share Purchase, which was completed on May 19, 2022, La Mancha beneficially owned and had control and direction over an aggregate of 27,442,941 Ordinary Shares, representing 24.3% of the then issued and outstanding Ordinary Shares (an increase of 4.4% in its position from the completion of the 2022 Subscription).

In connection with the 2025 Private Placement, La Mancha agreed to subscribe to 4,166,666 Units for aggregate cash consideration of \$2,499,999.60 (the “**La Mancha Participation**”) by exercising its anti-dilution rights granted by the Corporation pursuant to an investment agreement dated March 31, 2022 between La Mancha and the Corporation. Immediately prior to the 2025 Private Placement, La Mancha beneficially owned and had control and direction over an aggregate of 27,442,941 Ordinary Shares, representing 23.35% of the then issued and outstanding Ordinary Shares.

As part of the 2025 Private Placement and as disclosed in the Corporation's press release dated March 25, 2025 announcing the closing of such private placement, the TSXV required that the La Mancha Participation be approved by disinterested Shareholders at the Meeting. The La Mancha Participation in the 2025 Private Placement is irrevocable and has been closed in escrow, pending disinterested Shareholder approval. For the purposes of the Control Person Resolution (as defined below), the term “disinterested Shareholders” refers to all Shareholders of the Corporation other than La Mancha and its affiliates and associates. As of the Record Date, La Mancha and its affiliates and associates beneficially owned and had control and direction over an aggregate of 27,442,941 Ordinary Shares.

Disinterested Shareholders are being asked to consider and pass an ordinary resolution approving: (i) the sale of 4,166,666 Units to La Mancha, and (ii) La Mancha being a “Control Person” of the Corporation (as such term is defined in Policy 1.1) (the “**Control Person Resolution**”). If the Corporation's disinterested Shareholders vote in favour of the Control Person Resolution, the aggregate subscription price for the Units subscribed by La Mancha will be released to the Corporation, and the Units will be issued and delivered to La Mancha. If the Corporation's disinterested Shareholders vote against of the Control Person Resolution, the La Mancha Participation will be cancelled.

If the Corporation's disinterested Shareholders vote for the Control Person Resolution, La Mancha would beneficially own and have control and direction over an aggregate of 31,609,607 Ordinary Shares representing 25.44% of the issued and outstanding Ordinary Shares as of the Record Date and an additional 4,166,666 Warrants representing, in aggregate with the Ordinary Shares, 28.79% of the issued and outstanding Ordinary Shares, including Ordinary Shares that would be issued if all Warrants and convertible securities issued were converted into Ordinary Shares as of the Record Date.

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE CONTROL PERSON RESOLUTION. SUBJECT TO THE REQUIRED QUORUM, AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST BY DISINTERESTED SHAREHOLDERS AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.

Granting the Board authority to allot additional Ordinary Shares

Under Section 510 of the Abu Dhabi Global Market Companies Regulations 2020, Shareholders may, by ordinary resolution, authorize the Board to issue Ordinary Shares and grant rights to subscribe for or to convert any security into Ordinary Shares up to a certain aggregate amount, at a minimum purchase price and for a period of time that does not exceed five (5) years from the date of such Shareholder approval.

Shareholders are being asked to consider and pass an ordinary resolution granting the Board the authority to allot, until June 9, 2026, up to an additional number of Ordinary Shares equal to 100% of the total number of issued and outstanding Ordinary Shares as of the Record Date, representing up to 128,413,727 additional Ordinary Shares, including securities convertible or exchangeable into Ordinary Shares, at a minimum purchase price per Ordinary Share based on the then applicable TSXV rules (the “**Authorized Capital**”) for financing purposes, subject to obtaining all required regulatory approvals, including approval from the TSXV (the “**Authorized Capital Resolution**”).

If the Authorized Capital Resolution is passed, the Board will have the authority to approve, once or several times and in any amount, the issuance of Ordinary Shares, or any securities convertible or exchangeable into Ordinary Shares, until June 9, 2026 without Shareholder approval, as long as the issuances, in aggregate, are conducted within the limits of the Authorized Capital. After June 9, 2026, the Authorized Capital will be available to the Board for issuance of additional Ordinary Shares, or any securities convertible or exchangeable into Ordinary Shares, only if the authorization is reapproved by Shareholders. Shareholders may also approve a renewal, a change to or a revocation of the Authorized Capital before such time. The Authorized Capital provides the Board with a financial flexibility by ensuring rapid responses to capital requirements and to promptly respond to market fluctuations, invest in potential growth opportunities and optimize the capital structure in line with strategic goals, all without the requirement of additional Shareholder approval.

In case of an issuance of Ordinary Shares, or any securities convertible or exchangeable into Ordinary Shares, within the Authorized Capital limits, the Board shall have the authority to determine the number of Ordinary Shares, the issue price, the form of payment required for subscription (including a cash contribution, contribution in kind, by off-setting claims against the Corporation, or by

converting freely disposable equity), the date of issue, the conditions governing the exercise of subscription rights and all other relevant terms of issuance. The Board may issue Ordinary Shares by way of an underwritten offering, direct placement or a similar transaction through the intermediation of financial institutions, a syndicate of financial institutions or another third party and a subsequent offer of such Ordinary Shares to the existing Shareholders or third parties (if the subscription rights of the existing Shareholders have been withdrawn or have not been exercised). The Board is authorized to permit, restrict or exclude the trading of subscription rights. In the event of subscription rights not being exercised, the Board may, at its discretion, either allow such rights to expire worthless, place them on the Ordinary Shares, for which subscription rights were granted but not exercised, at market conditions or use them in some other manner conducive to the interests of the Corporation.

The Board's ability to authorize and issue Ordinary Shares pursuant to the Authorized Capital Resolution (if passed) will at all times be subject to compliance with applicable regulatory and stock exchange requirements, including the rules and policies of the TSXV.

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE AUTHORIZED CAPITAL RESOLUTION. SUBJECT TO THE REQUIRED QUORUM, AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.

SHAREHOLDER PROPOSALS

The Articles of Continuance permit certain eligible Shareholders to submit shareholder proposals to the Corporation for inclusion in a management proxy circular for an annual meeting of shareholders. No Shareholder proposals were submitted for consideration at the upcoming Meeting.

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 Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision-making. The Corporation also believes that good governance enhances its performance. *Policy Statement 58-201 to Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* ("**Regulation 58-101**") mandates disclosure of corporate governance practices for venture issuers in Form 58-101F2 - *Corporate Governance Disclosure (Venture Issuers)*, which disclosure is set out below.

The Corporation's governance framework is evolving as the Corporation continues to grow. Its governance policies respect the rights of Shareholders and comply with the rules of the CSA and the TSXV. The Board believes that constructive engagement with Shareholders is important for good corporate governance and transparency, and welcomes Shareholder inquiries and comments. Readers can access the Corporation's governance policies, including the Board of Directors Mandate, on the Corporation's website at <https://www.falconem.net/corporate/corporate-governance>.

CODE OF BUSINESS CONDUCT AND ETHICS

The Board expects management to operate the business of the Corporation in a manner that enhances Shareholder value and is consistent with the highest level of integrity. As such, it has adopted a Code of Business Conduct and Ethics (the "**Code of Ethics**") applicable to all of its directors, officers and employees.

The Code of Ethics communicates to directors, officers and employees standards for business conduct, and identifies and clarifies proper conduct in areas of potential conflict of interest. Each director, officer and employee is provided with a copy of the Code of Ethics upon beginning their position and is asked to sign an acknowledgement that the standards and principles of the Code of Ethics will be maintained at all times in the Corporation's business. Directors, officers and designated employees are required, on an annual basis, to re-declare their commitment to abide by the Corporation's Code of Ethics.

The Code of Ethics is designed to deter wrongdoing and promote: (a) honest and ethical conduct; (b) compliance with laws, rules and regulations; (c) prompt internal reporting of Code of Ethics violations; and (d) accountability for adherence to the Code of Ethics.

A copy of the Code of Ethics is available on the Corporation's website at <https://www.falconem.net/corporate/corporate-governance> or under the Corporation's profile on SEDAR+ at www.sedarplus.ca. The Corporation may adopt, from time to time, policies and guidelines relating to ethics that apply to all directors, officers and employees of the Corporation.

DIVERSITY

Diversity on the Board and within Executive Officer Positions

The Corporation is committed to diversity among its Board. While the Board has not adopted a written policy regarding the diversity of the Board, the Corporation believes that in an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to the Corporation's success. By bringing individuals from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives in an inclusive workplace, the Corporation believes that it is better able to develop solutions to challenges and deliver sustainable value for the Corporation and its stakeholders. The Corporation considers diversity to be an important attribute of a well-functioning Board, which will assist the Corporation to achieve its long-term goals. These guidelines and principles are important to the Corporation and have consistently been applied in nomination decisions. At this stage, the Board is satisfied with not having a written policy regarding the diversity of the Board, considering the small management team in place and since the above-mentioned guidelines and principles are already consistently considered in nomination decisions.

At all times, the Corporation seeks to maintain a Board comprised of talented and dedicated directors with a mix of experience, skills and backgrounds collectively reflecting the strategic needs of the business and the nature of the environment in which the Corporation operates. When assessing Board and executive management composition or identifying suitable candidates for appointment or re-election to the Board or for appointment as executive officers, the Corporation will consider candidates using criteria having due regard to the benefits of diversity and the needs of the Board and the Corporation.

When recommending nominees for appointment to the Board, with a view to enhancing Board diversity, the CGNC Committee's principal focus is on ensuring that the Board has the diverse experiences, skills and backgrounds needed to oversee collectively the business of the Corporation.

The Board has not adopted formal targets for each of the “**Designated Groups**” as defined in the *Employment Equity Act*, as the Board is satisfied with how it considers the representation of members of the Designated Groups in its nomination process for Board members and executive officers. There are two members of a Designated Group among the current nominee directors or current executive officers of the Corporation.

Director Term Limits and Other Mechanisms of Board Renewal

The Board is committed to a process of Board renewal and succession planning for non-executive directors in order to balance the benefits of experience with the need for new perspectives to the Board while maintaining an appropriate degree of continuity and adequate opportunity for the transition of Board and Board committee roles and responsibilities. The Board is satisfied with its Board renewal processes and the need for continuity within the Board, which is necessary to accomplish the Corporation's business plans and strategy, explains why no director term limit has been put in place. New non-executive directors will be nominated, as required, in the interest of the Corporation.

BOARD OF DIRECTORS

Structure and Compensation

The Board is currently composed of seven (7) directors. All of the proposed nominees for election as directors at the Meeting are current directors of the Corporation. A director is “independent” if the individual has no direct or indirect material relationship with the Corporation which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of a director's independent judgment, whether on the Board or a committee of the Board.

As at May 2, 2025, the Board has determined that five (5) directors are independent for purposes of the Board members as provided in Regulation 58-101. There are three (3) directors who are not independent for purposes of the Board members as provided in Regulation 58-101. The composition of the Board is outlined below.

Director Nominees	Independent	Non-Independent	Reason for Non Independence
Benoit La Salle		✓	Executive Chairman of the Board
Marc Filion	✓		
Abdoul Aziz Nassa	✓		
Yves Grou	✓		
Alhamdou Diagne	✓		
Vincent Benoit		✓	Representative of La Mancha
Emma Le Ster		✓	Representative of La Mancha

The non-independent directors actively seek out the views of independent directors on all Board matters. The independent directors exercise their responsibilities for independent oversight of management and are provided with leadership through their ability to meet independently of management whenever deemed necessary.

The quantity and quality of the Board compensation are reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements, which include the grant of incentive stock options for all directors, adequately reflect the responsibilities and risks involved in being an effective director of the Corporation.

The number of stock options to be granted is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. The CGNC Committee of the Corporation, of which the majority of members are independent, is responsible for making recommendations to the Board with respect to the compensation of all officers and directors of the Corporation. See “*Directors and NEO Compensation*” for further particulars.

Participation of Directors in Other Reporting Issuers

As at the date of this Circular, certain of the Corporation’s directors are directors of other reporting issuers, as set out in the following table:

Director	Reporting Issuers
Benoit La Salle, FCPA, FCA	Sama Resources Inc., GoviEx Uranium Inc. and Aya Gold & Silver Inc.
Yves Grou	Aya Gold & Silver Inc.
Vincent Benoit	G Mining Ventures Corp, Elemental Altus Royalties Corp.

Nomination and Assessment

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members and the CGNC Committee, including both formal and informal discussions among Board members. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation’s size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors’ credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director’s nomination.

New directors are briefed on strategic plans, short, medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing Corporation policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Corporation's size and current limited operations. New directors receive a copy of the Board manual, which contains pertinent information relevant to the duties of the Board. The Board manual is updated on an ongoing basis.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, the auditor and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records.

Role of the Board of Directors

The primary responsibility of the Board is the management of the business and affairs of the Corporation . It has a duty to act honestly, in good faith and in the best interests of the Corporation and its shareholders. The Board may discharge its responsibilities directly but will delegate certain responsibilities to committees of the Board and to the senior officers and management of the Corporation . The Board may appoint such officers and committees as it deems necessary and appropriate in order to discharge its duties. Each committee shall have its own mandate or charter and, if deemed necessary, the Board will provide senior officers and management with position descriptions to guide them in discharging their duties. The Board and its committees are also responsible for overseeing the activities of senior management in order to ensure that the plans and policies set by the Board are being adhered to and that the goals and objectives set by the Board are being met.

The primary functions of the Board are to:

- i. perform its duties and responsibilities in accordance with the laws of Abu Dhabi Global Market (the Corporation 's jurisdiction of incorporation), the laws of the United Arab Emirates applicable therein and the laws of all countries in which the Corporation operates;
- ii. oversee and monitor the performance of the Corporation in the context of its goals and objectives and the long term interests of its shareholders and other stakeholders;
- iii. promote a culture of honesty, integrity and ethical conduct within the Corporation and within all countries in which the Corporation operates; and
- iv. together with management of the Corporation and in accordance with applicable corporate and securities laws, develop policies which ensure the timely and accurate disclosure of material information respecting the Corporation.

A copy of the Board of Directors Mandate is available on the Corporation's website at <https://www.falconem.net/corporate/corporate-governance>.

AUDIT COMMITTEE

Pursuant to *Policy Statement to Regulation 52-110 respecting Audit Committees*, the Corporation is required to provide disclosure with respect to its Audit Committee, including the text of the Audit Committee's charter, composition of the Audit Committee and fees paid to the external auditors. Attached hereto as Schedule B is the text of the Audit Committee's Charter.

Composition of the Audit Committee

Following the election of the directors pursuant to this Circular, the following directors will be members of the Audit Committee of the Corporation:

Name	Independent	Financially Literate
Marc Fillion (Chair)	Yes	Yes
Yves Grou	Yes	Yes
Emma Le Ster	No	Yes
Abdoul Aziz Nassa	Yes	Yes

Notes:

- (1) Pursuant to Policy Statement 58-201 to Corporate Governance Guidelines and section 1.4 of Regulation 52-110 respecting Audit and Risk Committees, a member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Corporation's Board, reasonably interfere with the exercise of a member's independent judgment. TSXV issuers such as the Corporation, are subject only to the requirement that a majority of directors be independent pursuant to section 21(b) of TSXV Policy 3.1 - Directors, Officers, Other Insiders & Personnel and Corporate Governance, which states that the Corporation must have an audit committee comprised of at least three directors, the majority of whom are not officers, employees or control persons of the Corporation or any of its associates or affiliates. The Corporation's Audit Committee is in compliance with these requirements.
- (2) 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 of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

The following is a summary of the Audit Committee members' education and experience which is relevant to the performance of their responsibilities as an Audit Committee member:

Dr. Marc Filion

Dr. Marc Filion, Ph.D., M.B.A., Eng. received a B.A. from the Séminaire de Ste-Thérèse, Quebec in 1966, a B.Sc. in geology from École Polytechnique at the University of Montreal in 1970, a Ph.D. in economic geology and geostatistics from the Royal School of Mines, Imperial College, London, England and a M.B.A. from École des Hautes Études Commerciales, Montreal, Quebec. He was Chief Financial Officer of Abcourt Mines Inc. from October 2014 and a director from March 27, 2007, in both cases until March 2018. He served as a Strategic Resource Advisor of Orbite Technologies Inc. (also known as Orbite Aluminae Inc. and Exploration Orbite V.S.P.A. Inc.) since March 2011. Dr. Filion has more than 30 years of experience in the development and management of capital intensive world-class industrial projects in joint venture with international business partners.

Yves Grou

Mr. Grou is a CPA, CA, having received his Bachelor in Commerce degree from McGill University. He is a member of the Quebec Institute of Chartered Accountants. He was co-founder in 1980 and a partner until 2004 of Grou, La Salle & Associates ("GLA"). The firm grew from two original partners to a staff of over 50. He developed a business valuation expertise, having several high-profile clients. At GLA, Mr. Grou coordinated and led the reverse take-over process related to several public companies, having successfully completed several transactions with mining, oil and gas, telecommunications and medical devices companies of which some were located in France, Cuba, Thailand, West Africa and China. In 2004, GLA was sold to a major international accounting firm. Prior to 1980, Mr. Grou worked with Ernst & Young (Montreal) for three years. In addition to his current directorships, Mr. Grou is/was part of boards of directors of several public companies, in natural resources, renewable energy and materials.

Abdoul Aziz Nassa

Mr. Abdoul Aziz Nassa is a Business Development Director at Coris Invest Group SA ("CIG"). He is also General Manager at General Mining Logistics, a subsidiary of CIG specializing in providing logistic services to West African mining companies. Mr. Nassa was previously Agent Services Financiers at Desjardins from June 2008 until December 2010.

Emma Le Ster

Ms. Emma Le Ster has over 10 years of experience in metals and mining and finance, and holds a Master's in Finance, a Master's in Business Management and a French law degree from Grenoble Graduate School of business.

In their positions with the Corporation and other mineral resource companies, members of the Audit Committee have been responsible for receiving information relating to other companies and obtaining an understanding of the balance sheet, income statements and statements of cash flows and how these statements are integral in assessing the financial conditions of companies and their operating results.

Each member has an understanding of the mineral exploration and mining business in which the Corporation is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Corporation's financial disclosures and internal control systems.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in section 2.4 of *Regulation 52-110 respecting Audit Committees* ("**Regulation 52-110**") (De Minimis Non-audit Services) or an exemption from Regulation 52-110, in whole or in part, granted under Part 8 of Regulation 52-110. The Corporation is relying on the exemption in Section 6.1 of Regulation 52-110 which exempts venture issuers from the requirements of Part 3 Section 3.1 (3) – (Composition of the Audit Committee) as defined in Regulation 52-110 and Part 5 (Reporting Obligations) of Regulation 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditor and approve in advance of the provision of services other than auditing and to consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work which the chair of the Audit Committee deems as necessary, who will notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees (By Category)

The following table provides information about the fees billed to the Corporation for professional services rendered by the Corporation's external auditor, Raymond Chabot Grant Thornton LLP, for the fiscal periods ended 2023 and 2024:

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2023	62,758	-	2,250	-
December 31, 2024	52,889	-	-	3,587

Notes:

- (1) *Audit fees consist of fees for the audit of the Corporation's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.*
- (2) *Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under the heading "Audit Fees".*
- (3) *Tax fees consist of fees for tax compliance services, tax advice and tax planning. During fiscal years 2023 and 2024, the services provided in this category included assistance and advice in relation to the preparation of corporate income tax returns.*
- (4) *The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".*

OTHER COMMITTEE OF THE BOARD

Other than the Audit Committee, the only standing committee is the CGNC Committee, which is composed of Messrs. Benoit La Salle, Alhamdou Diagne and Marc Filion. Pursuant to its mandate, the CGNC Committee is responsible for implementing and overseeing human resources and compensation philosophy of the Corporation and making recommendations to the Board with respect to the compensation of all officers of the Corporation.

A copy of the Corporate Governance, Nomination and Compensation Committee Mandate is available on the Corporation's website at <https://www.falconem.net/corporate/corporate-governance>.

DIRECTORS AND EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Circular, “**Named Executive Officers**” or “**NEOs**” means each of the following individuals:

- (a) an individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year ended December 31, 2023 whose total compensation was more than \$150,000, for that financial year as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*; and
- (d) 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 Corporation, and was not acting in a similar capacity, as at December 31, 2024.

During the year ended December 31, 2024, the Corporation's NEOs are Matthieu Bos, President and CEO, Jean-Daniel Joly, Chief Financial Officer and Patrick Moryoussef, Chief Operations Officer

Mr. Landry-Tolszczuk resigned as Chief Financial Officer on July 2, 2024. Mr. Joly was appointed as Chief Financial Officer on July 2, 2024 to fill the vacancy created following the resignation of Mr. Landry-Tolszczuk as Chief Financial Officer.

Directors and NEO Compensation

The compensation, excluding compensation securities, for the NEOs and directors for the Corporation's two most recently completed financial years is as set out below.

During the Corporation's year ended December 31, 2024 there were no arrangements under which directors were compensated in cash by the Corporation and its subsidiaries for their services in their capacity as directors.

Table of Compensation excluding compensation securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
BENOIT LA SALLE, FCPA, FCA Director and Executive Chair of the Board	2023	75,000	NIL	NIL	NIL	NIL	75,000
	2024	75,000	NIL	NIL	NIL	NIL	75,000
MATTHIEU BOS⁽²⁾ President and CEO	2023	220,000	107,250	NIL	NIL	NIL	327,250
	2024	316,700	121,843	NIL	NIL	NIL	438,543
PATRICK MORYOUSSEF⁽²⁾ COO	2023	220,000	107,250	NIL	NIL	NIL	327,250
	2024	254,102	101,530	NIL	NIL	NIL	355,632

JEAN-DANIEL JOLY ⁽²⁾ CFO	2023	176,000	57,200	NIL	NIL	NIL	232,200
	2024	193,279	62,816	NIL	NIL	NIL	256,095
ALHAMDOU DIAGNE Director	2023	NIL	NIL	NIL	NIL	NIL	NIL
	2024	NIL	NIL	NIL	NIL	NIL	NIL
MARC FILION Director	2023	NIL	NIL	NIL	NIL	NIL	NIL
	2024	NIL	NIL	NIL	NIL	NIL	NIL
VINCENT BENOIT ⁽⁸⁾ Director	2023	NIL	NIL	NIL	NIL	NIL	NIL
	2024	NIL	NIL	NIL	NIL	NIL	NIL
EMMA LE STER ⁽⁸⁾ Director	2023	NIL	NIL	NIL	NIL	NIL	NIL
	2024	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

- (1) All amounts shown were paid in Canadian currency, the reporting currency of the Corporation.
- (2) The fees paid to Mr. Bos, Mr. Moryoussef and Mr. Joly were received and paid respectively by Findus Resources Ltd., Consultations PM Inc. and Humphrey Advisory Inc., pursuant to services agreements entered into with the Corporation and further described under the header "Management Contracts" below.
- (3) The Corporation currently has non-equity incentive plans for its executive officers, including its NEOs, but may award discretionary payments from time to time.
- (4) No compensation is paid to any director to act in such capacity.
- (5) The Corporation does not have any pension or retirement plan, including defined contribution plans.
- (6) The Corporation does have a performance bonus plan payable in certain circumstances.
- (7) Mr. Nassa was appointed to the Board as director nominee of Coris. Previously, Mr. Nassa, as the Coris nominee, had a material relationship with the Corporation by virtue of Coris' then shareholdings in the Corporation; at the current shareholding level, the nominee of Coris is no longer considered to have a material relationship with the Corporation.
- (8) Mr. Benoit was appointed to the Board as a director nominee of La Mancha. Mr. Benoit has a material relationship with the Corporation by virtue of La Mancha's shareholdings in the Corporation.
- (9) Mr. Olivier Colom resigned as a director nominee of La Mancha on October 4, 2024. Ms. Le Ster was appointed to the Board as a director nominee of La Mancha on October 4, 2024 to fill the vacancy created by the resignation of Mr. Colom.

During the year ended December 31, 2024, the table below discloses all compensation securities granted to each NEO and the directors by the Corporation for services provided, directly or indirectly, to the Corporation:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities ⁽¹⁾ , 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 as at December 31, 2024 (\$)	Expiry Date
BENOIT LA SALLE ⁽⁴⁾ Director and Executive Chair of the Board	Stock Option	100,000	April 12, 2024	0.48	0.48	0.60	April 12, 2034
	DSU Grant	58,824	October 4, 2024	0.68	0.68	0.60	N/A

MATTHIEU BOS⁽⁵⁾ President and CEO	Stock Option	2,032,007	April 12, 2024	0.48	0.48	0.60	April 12, 2034
UGO LANDRY-TOLSZCZUK⁽¹⁴⁾ Former CFO	Stock Option	216,090	April 12, 2024	0.48	0.48	0.60	April 12, 2034
PATRICK MORYOUSSEF⁽⁶⁾ COO	Stock Option	1,035,467	April 12, 2024	0.48	0.48	0.60	April 12, 2034
JEAN-DANIEL JOLY⁽⁷⁾⁽¹⁴⁾ CFO	Stock Option	364,014	April 12, 2024	0.48	0.48	0.60	April 12, 2034
MARC FILION⁽⁸⁾ Director	DSU	66,176	October 4, 2024	0.68	0.68	0.60	N/A
YVES GROU⁽⁹⁾ Director	DSU	62,500	October 4, 2024	0.68	0.68	0.60	N/A
ABDOUL AZIZ NASSA⁽¹⁰⁾ Director	DSU	58,824	October 4, 2024	0.68	0.68	0.60	N/A
ALHAMDOU DIAGNE⁽¹¹⁾ Director	DSU	58,824	October 4, 2024	0.68	0.68	0.60	N/A
VINCENT BENOIT⁽¹²⁾ Director	DSU	58,824	October 4, 2024	0.68	0.68	0.60	N/A
OLIVIER COLOM⁽¹³⁾ Former Director	DSU	44,118	October 4, 2024	0.68	0.68	0.60	N/A
EMMA LE STER⁽¹⁵⁾ Director	DSU	15,625	October 4, 2024	\$0.68	\$0.68	\$0.60	N/A

Notes:

- (1) Each outstanding stock option of the Corporation entitles the holder thereof to acquire, upon exercise, one Ordinary Share in the capital of the Corporation in accordance with the terms of the applicable option agreement(s) between the Corporation and the holder thereof.
- (2) There has been no compensation security that has been re-priced, cancelled or replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year, including the original and modified terms, the effective date, the reason for the modification and the name of the holder.
- (3) There are no restrictions or conditions for converting, exercising or exchanging the compensation securities.
- (4) As at December 31, 2024, Mr. La Salle held 1,150,000 stock options of the Corporation entitling him to acquire, upon exercise, 1,150,000 Ordinary Shares in the capital of the Corporation and 58,824 deferred share units ("DSUs"). The DSUs are redeemable pursuant to the terms of the DSUP (as hereinafter defined). On February 21, 2025, Mr. La Salle was granted an additional 125,000 stock options of the Corporation entitling him to acquire, upon exercise, 125,000 Ordinary Shares in the capital of the Corporation.
- (5) As at December 31, 2024, Mr. Bos held 2,432,007 stock options of the Corporation entitling him to acquire, upon exercise, 2,432,007 Ordinary Shares in the capital of the Corporation. On February 21, 2025, Mr. Bos was granted an additional 377,246 stock options of the Corporation entitling him to acquire, upon exercise, 377,246 Ordinary Shares in the capital of the Corporation.
- (6) As at December 31, 2024, Mr. Moryoussef held 1,285,467 stock options of the Corporation entitling him to acquire, upon exercise, 1,285,467 Ordinary Shares in the capital of the Corporation. On February 21, 2025, Mr. Moryoussef was granted an additional 302,751 stock options of the Corporation entitling him to acquire, upon exercise, 302,751 Ordinary Shares in the capital of the Corporation.
- (7) As at December 31, 2024, Mr. Joly held 614,014 stock options of the Corporation entitling him to acquire, upon exercise, 614,014 Ordinary Shares in the capital of the Corporation. On February 21, 2025, Mr. Joly was granted an additional 193,490 stock options of the Corporation entitling him to acquire, upon exercise, 193,490 Ordinary Shares in the capital of the Corporation.
- (8) As at December 31, 2024, total compensation securities and underlying securities held by Mr. Filion consisted of 260,000 stock options of the Corporation entitling him to acquire, upon exercise, 260,000 Ordinary Shares in the capital of the Corporation and 278,526 DSUs. The DSUs are redeemable pursuant to the terms of the DSUP (as hereinafter defined).

- (9) As at December 31, 2024, total compensation securities and underlying securities held by Mr. Grou consisted of 340,000 stock options of the Corporation entitling him to acquire, upon exercise, 340,000 Ordinary Shares in the capital of the Corporation and 260,329 DSUs. The DSUs are redeemable pursuant to the terms of the DSUP.
- (10) As at December 31, 2024, total compensation securities and underlying securities held by Mr. Nassa consisted of 108,824 DSUs. The DSUs are redeemable pursuant to the terms of the DSUP.
- (11) As at December 31, 2024, total compensation securities and underlying securities held by Mr. Diagne consisted of 100,000 stock options of the Corporation entitling him to acquire, upon exercise, 100,000 Ordinary Shares in the capital of the Corporation and 236,017 DSUs. The DSUs are redeemable pursuant to the terms of the DSUP.
- (12) As at December 31, 2024 total compensation securities and underlying securities held by Mr. Benoit consisted of 154,657 DSUs. The DSUs are redeemable pursuant to the terms of the DSUP. On February 21, 2025, Mr. Benoit was granted an additional 100,000 stock options of the Corporation entitling him to acquire, upon exercise, 100,000 Ordinary Shares in the capital of the Corporation.
- (13) Mr. Olivier Colom resigned as a director nominee of La Mancha on October 4, 2024.
- (14) Mr. Landry-Tolszczuk resigned as Chief Financial Officer on July 2, 2024. Mr. Joly was appointed as Chief Financial Officer on July 9, 2024 to fill the vacancy created following the resignation of Mr. Landry-Tolszczuk as Chief Financial Officer.
- (15) Ms. Le Ster was appointed to the Board of Directors as a director nominee of La Mancha on October 4, 2024 to fill the vacancy created by the resignation of Mr. Colom. As at December 31, 2024, total compensation securities and underlying securities held by Ms. Le Ster consisted of 15,625 DSUs. The DSUs are redeemable pursuant to the terms of the DSUP. On February 21, 2025, Ms. Le Ster was granted an additional 100,000 stock options of the Corporation entitling her to acquire, upon exercise, 100,000 Ordinary Shares in the capital of the Corporation.

Exercises of Compensation Securities by Named Executive Officers and Directors

During the year ended December 31, 2024, there were no exercises by a director or NEO of compensation securities.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Discussion and Analysis

The CGNC Committee consists of Messrs. Benoit La Salle, Alhamdou Diagne and Marc Filion. Pursuant to its mandate, the CGNC Committee is responsible for implementing and overseeing human resources and compensation philosophy of the Corporation and making recommendations to the Board with respect to the compensation of all officers of the Corporation. The Board ensures that total compensation paid to officers is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Corporation does not generate operating cash flow and relies on equity financing to fund its exploration and corporate activities. Therefore, as the Corporation seeks to attract, retain and motivate highly skilled and experienced officers it must, at the same time, consider current market and industry circumstances and the Corporation's liquidity and ability to raise further capital.

Elements of Executive Compensation

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the year ended December 31, 2024, the two basic components of the executive officer compensation program were fixed cash remuneration, and option- based compensation pursuant to the Corporation's plan. The Corporation does not have any formal annual discretionary cash bonuses, perquisites or personal benefits programs.

Fixed cash remuneration comprises the total cash-based compensation. Option-based compensation represents compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on the market performance of the Ordinary Shares. To date, no specific formula has been developed to assign a specific weighting to this component. Instead, the Board considers the factors discussed below and the Corporation's performance and assigns compensation based on this assessment and the recommendations of the CGNC Committee. Various performance criteria were established by CGNC in order to provide its recommendations. Such criteria are related to the main corporate objectives of the Corporation and include corporate growth, share price performance and project advancement. In determining the total compensation of any NEO, the Board considers all elements of compensation in total rather than one element in isolation.

The Board approves the cash remuneration ranges for the NEOs. The base remuneration review for each NEO is based on an assessment of factors such as current competitive market conditions and particular skills, such as leadership ability, management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Board, using budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all compensation levels for its officers.

Other than as disclosed in the compensation tables listed above, during the year ended December 31, 2024 the Corporation did not award any increases in the annual consulting fees of the NEOs in response to the subjective assessment of their respective performance, analysis of external market conditions and competitive needs to retain its qualified personnel.

Executive Compensation Philosophy and Objectives

The Corporation's principal goal is to create value for its Shareholders. The Corporation's compensation philosophy reflects this goal and is based on the following fundamental principles:

1. compensation programs align with Shareholders' interests – the Corporation aligns the goals of executives with maximizing long-term Shareholder value;
2. performance sensitive – compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
3. offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing executive officers who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the Corporation in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows: to attract, motivate and retain highly qualified executive officers; to align the interests of executive officers with Shareholders' interests by making long-term, equity-based incentives through the granting of stock options and evaluating executive performance on the basis of key measurements that correlate to long-term Shareholder value; and to tie compensation directly to those measurements and rewards based on achieving and exceeding any predetermined objectives that may be determined by the Board.

There has been no significant changes to the Corporation's compensation policies during or after the more recently completed financial year.

Competitive Compensation

The Corporation is dependent on individuals with specialized skills and knowledge related to the exploration for, and the development of, mineral prospects, corporate finance, corporate secretarial and management. The Corporation seeks to attract, retain and motivate highly skilled and experienced officers by providing competitive compensation. The CGNC Committee reviews compensation practices of similarly situated companies and from time to time may consult external, independent advisors who specialize in the area of compensation prior to making its recommendations to the Board. Although the CGNC Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Corporation, it is primarily focused on remaining competitive in the marketplace with respect to total compensation. A peer group was not yet used to determine compensation.

Option-based Awards and Other Securities Incentives

The Corporation's incentive plans provide for the grant of stock options and units to directors, officers, employees and consultants of the Corporation and its subsidiaries. The purpose of the securities based compensation plans is to provide an incentive for directors, officers, employees and consultants of the Corporation and its subsidiaries to directly participate in the Corporation's growth and development by providing them with the opportunity to acquire Ordinary Shares. The grant of securities-based compensation advances the interests of the Corporation and its Shareholders through the motivation, attraction and retention of these individuals.

The CGNC Committee determines the ranges of grants for each level of officers, employees, directors and consultants to whom it recommends that grants be made. The CGNC Committee makes recommendations to the Board regarding the amounts and terms of grants for the directors, officers, employees and consultants. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibility and the importance of the position and contribution to the Corporation.

In addition to determining the number of stock options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the compensation plans;
- the exercise price for each security granted, subject to the provisions of the compensation plans;

- the date on which each security is granted;
- the vesting period, if any, for each security;
- the other material terms and conditions of each grant; and
- any re-pricing or amendment to a grant.

The Board makes these determinations subject to and in accordance with the provisions of the Corporation's securities based compensation plans, which are described in detail in Part 5 of this Circular. The Board reviews and approves grants on an annual basis and periodically during a financial year.

SECURITIES BASED COMPENSATION PLANS

Amended and Restated Stock Option Plan

On April 26, 2017 the Board adopted the Corporation's Stock Option Plan as a rolling 10% stock option plan (the "**Plan**"). The Board amended the Plan and the amendments were approved by the Board on April 14, 2023 and by disinterested Shareholders on June 9, 2022. The amendments to the Plan were made for the purpose of conforming the Plan with the revised provisions of the TSXV Policy 4.4 – *Security Based Compensation*.

On April 14, 2023, the Board adopted a "fixed up to 20% Plan" (the "**A&R Stock Option Plan**"). The A&R Stock Option Plan provides that the number of shares issuable pursuant to the A&R Stock Option Plan combined with the number of Ordinary Shares issuable under all of the Corporation's security-based compensation plans, in the aggregate, is a fixed specified number of Ordinary Shares of the Corporation up to a maximum of 20% of the issued and outstanding Ordinary Shares as at the date of any grant. The A&R Stock Option Plan was approved by disinterested Shareholders on June 16, 2023 and the TSXV on July 10, 2023.

The purpose of the A&R Stock Option Plan is to attract and retain skilled and motivated directors, employees and consultants to the Corporation and its subsidiaries, and thereby advance the Corporation's interests, by affording such persons with an opportunity to acquire an equity interest in the Corporation through the issuance of stock options.

The terms of the A&R Stock Option Plan authorize the Board to grant stock options to the Optionees on the following terms (all capitalized terms in this section have the meaning as defined in the A&R Stock Option Plan):

1. The maximum number of shares which may be issuable under all of the Corporations' security based compensation plans shall be 22,764,468 Ordinary Shares or such additional amount as may be approved from time to time by the Shareholders and the TSXV.
2. The number of Ordinary Shares under each option will be determined by the Board, provided that the maximum aggregate number of Ordinary Shares reserved for issuance under the Plan and all other Security Based Compensation plans granted during any 12 month period to:
 - (a) Insiders (as a group) may not exceed 10% of the total issued and outstanding Ordinary Shares at the time of grant unless approval by the disinterested Shareholders (as defined below) has been obtained in accordance with the policies of the TSXV;
 - (b) subject to (c) below, any one Person may not exceed 5% of the total issued and outstanding Ordinary Shares (unless approval by the disinterested Shareholders has been obtained);
 - (c) any one Consultant may not exceed 2% of the total issued and outstanding Ordinary Shares at the date of such grant; and
 - (d) any one Person engaged in Investor Relations Activities for the Corporation may not exceed 2% of the total issued and outstanding Ordinary Shares and must vest in stages over a 12-month period with no more than ¼ of the Options vesting in any three-month period;

in each case calculated as at the date of grant of the Option, including all other Ordinary Shares under Option to such Person at that time. In addition to the above, Insiders (as a group) may not exceed 10% of the total issued and outstanding shares of the Corporation at any time (unless approval by the disinterested Shareholders has been obtained).

3. The exercise price of an Option may not be set at less than the minimum price permitted by the TSXV or less than the Discounted Market Price.
4. Options granted will have a maximum term of up to 10 years from the date of grant.
5. Options granted may not vest before the date that is one year following the date it is granted or issued, unless expressly specified otherwise in the Plan.
6. Options are non-assignable and non-transferable.
7. Options can only be exercised by the Optionee as long as the Optionee remains an eligible Optionee pursuant to the Plan or within a period of not more than 90 days after ceasing to be an eligible Optionee (30 days in the case of a person engaged in Investor Relations Activities).
8. In the event of death of an Optionee, the Optionee's heirs or administrators may exercise any portion of such Optionee's outstanding Option until the earlier of one year following the date of the Optionee's death or the expiry of the Option Period.
9. In the event that the Optionee shall cease to be a Director, Employee or Consultant by reason of such Optionee's disability, any Options held by such Optionee that could have been exercised immediately prior to such cessation shall be exercisable by such Optionee, or by his Guardian, for a period of 30 days following the date of such cessation. If such Optionee dies within that 30-day period, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee and shall be exercisable by the Qualified Successor until the earlier of 30 days following the death of such Optionee and the expiry of the Option Period.
10. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 180 days or, if longer, for so long as the Optionee's right to re-employment with the Corporation or its subsidiary is guaranteed either by statute or by contract. If the period of such leave exceeds 180 days and the Optionee's re-employment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the 181st day of such leave.
11. In the event an Optionee shall cease to be a Director, Employee or Consultant of the Corporation for termination for cause, the Option shall terminate and shall cease to be exercisable upon such termination for cause.
12. Subject to any required regulatory approval, the Board may, in its discretion, accelerate the vesting or exercisability of any Option and all Option shares subject to an Option become vested in the event of a take-over bid. The exercise price and the number of Ordinary Shares which are subject to an Option may be adjusted from time to time for share dividends, and in the event of recapitalization, subdivision, arrangement, amalgamation, reorganization or change in the capital structure of the Corporation.
13. Subject to the TSXV approval and certain other conditions, the exercise price of an Option may be reduced at the discretion of the Board if prior TSXV's approval is obtained and at least six months have elapsed since the date the Option was granted and the date the exercise price for such Option was last amended. For any reduction in the exercise price of an Option held by an Insider of the Corporation, approval by the Disinterested Shareholders (as defined below) will be required.
14. Options issued to Optionees other than Consultants who perform Investor Relations Activities, may at the discretion of the Board be subject to vesting conditions.

Notice of Options granted under the A&R Stock Option Plan must be given to the TSXV. Any amendments to the Plan must also be approved by the TSXV and, if necessary, approval by the disinterested shareholders obtained prior to becoming effective. **"Approval by the Disinterested Shareholders"** means approval by a majority of votes cast by all Shareholders at the Meeting, excluding votes attached to Ordinary Shares beneficially owned by Insiders of the Corporation to whom Options may be granted pursuant to the A&R Stock Option Plan and their associates in accordance with the policies of the TSXV.

A copy of the A&R Stock Option Plan may be inspected at the offices of the Corporation at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8, during normal business hours and at the Meeting. In addition, a copy of the A&R Stock Option Plan will be mailed, free of charge, to any holder of Ordinary Shares who makes a request in writing to the Corporation. Any such requests should be mailed to the Corporation, at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8 to the attention of the Corporate Secretary.

Amended and Restated Deferred Share Unit Plan

On April 26, 2019, the Corporation adopted the Deferred Share Unit Plan ("**Original DSUP**"). The Original DSUP was approved by the disinterested shareholders on June 20, 2019 and the TSXV. The Board amended the Original DSUP and the amendments were approved by the Board on April 13, 2022.

On April 14, 2023, the Board amended the Original DSUP (the "**Amended and Restated DSUP**" or "**DSUP**") to provide that the number of shares issuable under the Amended and Restated DSUP combined with the number of shares issuable under all of the Corporation's security-based compensation plans, in the aggregate, is a fixed specified number of Ordinary Shares up to a maximum of 20% of the issued and outstanding Ordinary Shares as at the date of any grant. The Amended and Restated DSUP was approved by disinterested shareholders on June 16, 2023 and the TSXV on July 10, 2023.

The Amended and Restated DSUP is a non-dilutive long-term incentive plan in which employees, including named executive officers, directors and any other person designated by the Board can participate. The DSUP is intended to advance the interests of the Corporation through the motivation, attraction and retention of Directors, executive officers, employees, Consultant (as defined in the Amended and Restated DSUP) or any other person designated by the Board to participate in the DSUP ("**Eligible Participant**").

The Amended and Restated DSUP provides for the following limits on grants, for so long as the Corporation is subject to the requirements of the TSXV, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSXV:

- (i) the maximum number of Ordinary Shares which may be issuable under all of the Corporation's security-based compensation plans shall be 22,764,468 Ordinary Shares or such additional amount as may be approved from time to time by the Shareholders and the TSXV;
- (ii) the total number of Ordinary Shares that may be issued to any one Eligible Participant under the Amended and Restated DSUP, together with any other security-based compensation plans of the Corporation, within a 12- month period, may not exceed 5% of the issued Ordinary Shares calculated on the date of any grant;
- (iii) the total number of Ordinary Shares that are issuable pursuant all of the Corporation's security-based compensation plans, granted or issued within any 12-month period to any one Eligible Participant that is Consultant, must not exceed 2% of the total number of Ordinary Shares outstanding, calculated on the date of any grant; and
- (iv) the total number of Ordinary Shares issued to Insiders of the Corporation, as a group, under the Amended and Restated DSUP, together with any other of the Corporation's security-based compensation plans, within a 12-month period, shall not exceed 10% of the total number of issued and outstanding Ordinary Shares, calculated on the date of any grant, respectively.

The following is a summary of the Amended and Restated DSUP (all capitalized terms in this section have the meaning as defined in the Amended and Restated DSUP):

1. The Board may always grant Units to any Eligible Participant, at its entire discretion.
2. Each Participant may, subject to the conditions set forth in the Amended and Restated DSUP, elect to receive in the form of Units: (i) in the case of Directors, any compensation payable in respect of serving as a Director, including the annual Board retainer fee, and any annual committee retainer fees, meeting attendance fees, supplemental fees for committee chairmanships and for the Chairman of the Board; (ii) in the case of executive officers, any compensation payable in respect of the exercise of his/her duties as a director, including the salary and Bonus payable to him/her; and (iii) in the case of other Participants, the amount determined by the Board from time to time (collectively, the "**Voluntary Portion**").

3. Any Participant who wishes to receive Units as part of the Voluntary Portion will be required to file a notice of election, (the "**Election Notice**"), with the Corporation's Secretary, in which such Participant will indicate the percentage of the Voluntary Portion in respect of which the Participant elects to receive Units. Such Election Notice must be filed at least ten (10) days before the beginning of a financial year, as applicable, in respect of which the Voluntary Portion is to be payable to the Participant, failing which the Participant shall be deemed to have elected not to participate in the Amended and Restated DSUP in respect of the Voluntary Portion until such time as an Election Notice is filed at least ten (10) days before the beginning of such a Semester or financial year.
4. Each Participant is entitled, at any time, to terminate such Participant's participation in the Amended and Restated DSUP in respect of the Voluntary Portion (the "**Terminated Deferred Remuneration**") by filing with the Secretary of the Corporation a notice of termination at least ten (10) days before the beginning of a Semester or a financial year in respect of which the voluntary Portion is to be payable to the Participant (the "**Termination Notice**"). Such Terminated Deferred Remuneration shall be terminated with effect as of and from the first date on which the Voluntary Portion would have otherwise been earned following the filing of such Termination Notice and only in respect of the Voluntary Portion in respect of any period following such filing of a Termination Notice. In the case where a Participant files the Termination Notice after such prescribed period of ten (10) days, it will only take effect in respect of Semesters or financial years starting at least ten (10) days after the Termination Notice is filed. Any Units credited to the account of a Participant who has filed a Termination Notice shall remain in such account and will be redeemable only in accordance with the terms of the DSUP.
5. A Participant who has filed a Termination Notice may elect to participate again in the Amended and Restated DSUP in respect of the Voluntary Portion in respect of any period following the filing of such Termination Notice by filing a new Election Notice.
6. Participants receiving grants will be credited the number of Units determined by the Board, as of the date of the grant or any other date determined by the Board.
7. Participants receiving grants will be credited a number of units, as of the date on which the Deferred Remuneration would have otherwise been payable, determined on the basis of the amount of Deferred Remuneration payable to such Participants in respect of the period during which the Deferred Remuneration would have been payable, divided by the Value of a Unit on the date on which the Deferred Remuneration would have otherwise been payable. The Value of a Unit under the DSUP means at any particular date, the average closing price of the Ordinary Shares on the TSXV, for the five (5) Trading Days immediately preceding such date.
8. Participants who have been awarded Units that have not otherwise expired or been cancelled shall be entitled to receive additional Units if the Corporation pays a cash dividend on its Ordinary Shares. The number of additional Units awarded to a Participant upon payment of a cash dividend shall correspond to the amount of the dividend that the Participant would receive if his/her Units were Ordinary Shares at the date of payment of the cash dividend. For purposes of this calculation, the amount of the cash dividend per Share shall be multiplied by the number of Units held by a Participant and divided by the value of one additional Unit as determined by the Board upon declaring the dividend. Where applicable, such additional Units shall vest at the same date as the Units with which they are associated.
9. In the event that the Ordinary Shares are hereafter changed into or exchanged for a different number or kind of Ordinary Shares or other securities of the Corporation or of another corporation, or in the event that there is a reorganization, merger or consolidation of the Corporation, reclassification, dividend payable in Ordinary Shares, or other changes in the Corporation's capital stock, the Board shall make adjustments as it deems appropriate to the number of Units granted or that may be granted under the DSUP and under the vesting conditions for these Units, and such adjustments shall be final and binding.
10. Subject to the limitations set out below, vested Units will be redeemable and the Value of the Units payable, after the Participant ceases to sit on the Board or to be employed or retained by the Corporation, as the case may be. For better certainty, and without limiting the foregoing, Units will not be redeemable, for instance: (i) at the time a Participant ceases to sit on the Board if he/she is still employed or retained by the Corporation; or (ii) at the time a Participant ceases to be employed by the Corporation if he/she is still retained by the Corporation. Except where a Participant dies, no Unit shall vest prior to the first anniversary of its date of grant.
11. When a Participant ceases to sit on the Board or to be employed or retained by the Corporation, the Participant may, require the Corporation to redeem the Units by filing a notice of redemption (the "**Redemption Notice**") with the Corporation's Secretary specifying the redemption date, which shall be at least five Business Days following the date on which

12. the Redemption Notice is filed with the Corporation, but no later than December 15 of the first calendar year commencing after the year in which the Participant ceases to sit on the Board or to be employed or retained by the Corporation, as the case may be (the “**Redemption Date**”).

13. The aggregate Value of the Units so redeemed, less any amounts required to be deducted, will be paid at the choice of the Corporation in cash or in shares to the Participant as soon as possible after the Redemption Date, provided that, in no event, shall such payment take place later than December 31 of the first calendar year commencing after the year in which the Participant ceases to sit on the Board or to be employed or retained by the Corporation, as the case may be.

14. If the Participant fails to file a Redemption Notice with the Corporation before the Deadline (as defined in the DSUP), the Participant shall be deemed to have filed on the Deadline a Redemption Notice with the Corporation for such Participant's Units specifying December 15 of such year as the Redemption Date, in which case the aggregate Value of the Units so redeemed, less any amounts required to be deducted, will be paid to the Participant no later than December 31 of the same year.

15. If a Participant dies before filing a Redemption Notice with the Corporation he shall apply to his/her legal representatives, as the case may be, with such modifications as the circumstances require, provided that, in no event, the period within which said legal representatives may file a Redemption Notice can exceed one year from the Participant's death. Any Unit awarded, which will vest prior to a Participant's death or by the occurrence of the death, that remains unexercised during that period will be immediately forfeited upon the termination of such period.

16. In cases of redemptions of Units after the death of a Participant and where the Participant's will has not been probated, when required, the Corporation will retain the funds and will credit interest on such funds from time to time at the rate then paid by the Corporation's principal banker on guaranteed investment certificates having a term of one year until such time as the Corporation can legally pay such funds, after making any required deductions, to the legal representative.

17. A Redemption Notice shall apply to all Units held by the Participant or his/her legal representative, as the case may be, at the time it is filed. A Participant may not cause the redemption of less than all of his/her Units.

18. No amount will be paid to, or in respect of, a Participant under the Amended and Restated DSUP, or pursuant to any other arrangement, to compensate a Participant for a downward fluctuation in the price of Ordinary Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

19. The aggregate Value of the Units caused to be redeemed by or in respect of a Participant, determined as at the Redemption Date, less any amounts required to be deducted, will be paid to the Participant or his/her legal representative, as the case may be, either in cash or in shares.

20. The Amended and Restated DSUP may be amended or terminated at any time and from time to time by the Board, provided that any such amendment or termination does not in any way infringe upon any rights of Participants in respect of Units previously credited to the account of Participants.

21. The only effect of a termination of the Amended and Restated DSUP will be that, subject to the following, the crediting of additional Units will be discontinued as of a specific date (the “**Termination Date**”) and no new Participants will be admitted to the Amended and Restated DSUP thereafter. An existing Participant on the Termination Date will be entitled to the

22. number of Units credited to him/her up to that date and, thereafter, will continue to be eligible to receive additional Units in respect of dividends paid on Ordinary Shares until he/she causes the Corporation to redeem his/her Units in accordance with the terms and conditions of the Amended and Restated DSUP in effect on the Termination Date. After the Termination Date, the rules of the Amended and Restated DSUP as set out above will continue to apply (e.g., the value of the Units will continue to fluctuate in value based on changes in the market value of Ordinary Shares).

22. A Participant may not sell, assign or otherwise dispose of Units or any rights in respect thereof, except by will or other testamentary document or according to the laws respecting the devolution and allotment of estates. As a condition to any permitted transfer upon the death of a Participant, such transfer must comply with applicable securities laws and the transferee of Units or any right in respect thereof must execute and deliver to the Corporation a written receipt and acknowledgment, stating that such transferee will be subject to the terms and conditions of the Amended and Restated DSUP and of the Election Notice with respect to such Units and any such rights.

23. Unless otherwise determined by the Board, no funds will be set aside to guarantee the payment of the Units and future payment of Units will remain an unfunded liability recorded on the books of the Corporation.

24. Any Units awarded to a Participant who ceases to be a Participant under the Amended and Restated DSUP for any reason whatsoever will terminate at a date no later than twelve (12) months from the date such Participant ceases to be a Participant under the Amended and Restated DSUP.

25. Neither the Amended and Restated DSUP nor the holding of DSUs gives the participants any right as a Shareholder.

26. Nothing in this Amended and Restated DSUP will confer or be construed as conferring on a Participant any right to remain as a director, employee or consultant of the Corporation.

A copy of the DSUP may be inspected at the offices of the Corporation at Suite 132, 1320 Graham Blvd., Mount Royal, Quebec, H3P 3C8, during normal business hours and at the Meeting. In addition, a copy of the DSUP will be mailed, free of charge, to any holder of Ordinary Shares who makes a request in writing to the Corporation. Any such requests should be mailed to the Corporation, at Suite 132, 1320 Graham Blvd., Mount Royal, Quebec, H3P 3C8 to the attention of the Corporate Secretary.

Amended and Restated Restricted Share Unit Plan

On April 13, 2022, the Corporation adopted, subject to the TSXV acceptance and disinterested shareholder approval, the Restricted Share Unit Plan (“**Original RSUP**”).

On April 14, 2023, the Board amended the Original RSUP (the “**Amended and Restated RSUP**” or “**RSUP**”) to provide that the number of Ordinary Shares issuable under the Amended and Restated RSUP together with the number of Ordinary Shares issuable under all of the Corporation’s security-based compensation plans, in the aggregate, is a fixed specified number of Ordinary Shares of the Corporation up to a maximum of 20% of the issued and outstanding Ordinary Shares. The A&R Stock Option Plan was approved by disinterested shareholders on June 16, 2023 and the TSXV on July 10, 2023.

The Amended and Restated RSUP applies to the Corporation’s directors, officers, employee and Consultants (as defined in the RSUP – each a “**Participant**”) and officers, employees and Consultants of its subsidiaries and expressly excludes “Investor Relations Service Providers” (as defined in the RSUP).

The Amended and Restated RSUP provides for the following limits on grants, for so long as the Corporation is subject to the requirements of the TSXV, unless approval by the disinterested Shareholders (as defined below) is obtained or unless permitted otherwise pursuant to the policies of the TSXV:

- (i) the maximum number of shares which may be issuable under all of the Corporation’s security-based compensation plans shall be 22,764,468 Ordinary Shares or such additional amount as may be approved from time to time by the Shareholders and the TSXV;
- (ii) the total number of Ordinary Shares that may be issued under the Amended and Restated RSUP to any one Participant, together with any of the Corporation’s other security-based compensation plans grants, within a 12-month period, shall not exceed 5% of the total number of Ordinary Shares issued and outstanding calculated on the date of any award of RSUs;
- (iii) the total number of Ordinary Shares issued to Insiders (as defined in the RSUP) of the Corporation, as a group, during any 12-month period and issuable at any time under the Amended and Restated RSUP, together with any other of the
- (iv) Corporation’s other security-based compensation plans grants, shall not exceed 10% of the total number of Ordinary Shares issued and outstanding calculated on the date of any award of RSUs; and
- (v) the maximum aggregate number of Ordinary Shares that are issuable pursuant to all of the Corporation’s security-based compensation plans granted or issued in any 12-month period to any one Consultant (as defined in the RSUP) must not exceed 2% of the total number of Ordinary Shares issued and outstanding, calculated on the date of any award of RSUs.

The following is a summary of the Amended and Restated RSUP (all capitalized terms in this section have the meaning as defined in the Amended and Restated RSUP).

The Amended and Restated RSUP provides for the grant of non-transferable or assignable RSUs. Once they vest, RSUs are payable in cash or in shares, the minimum vesting period being one year, pursuant to the policies of the TSXV. The value of an RSU upon payment is equal to the number of RSUs credited to a Participant’s Account multiplied by the volume-weighted

average price of a Ordinary Share on the TSXV (as defined in the RSUP) for the five trading days immediately preceding the Vesting Date. If the Corporation decides to pay the RSUs in shares instead of cash, the Participant will receive that number of Ordinary Shares issued from the Corporation's share capital equal to the whole number of RSUs credited to the Participant's Account (as defined in the RSUP) with respect to the applicable Vesting Date, plus a cash settlement of any fraction of an RSU. Unless otherwise provided in an RSU Award Agreement, RSUs vest on December 31 of the year which is three years after the year in which the award of the RSUs is granted. If the Vesting Date of any RSUs falls during a Blackout Period, such date shall be extended for a period ending on the tenth business day after the expiry date of the Blackout Period. Whether the RSUs are paid in cash or in shares, the Amended and Restated RSUP provides for payment of RSUs net of applicable withholding taxes.

Subject to the provisions of the Amended and Restated RSUP, the Board decides to whom Awards are granted, the effective date thereof, the number of RSUs to be allocated, the terms and conditions of vesting, if any, the Vesting Date and such other terms and conditions which the Board considers appropriate to the Award in question, and which terms and conditions need not be identical as between any two awards of RSUs, whether or not contemporaneous. Additionally, with the consent of the affected Participants, the Board may amend or modify any outstanding RSU in any manner, to the extent that the Board would have had the authority to initially grant such RSU as so modified or amended, subject to the prior approval of the TSXV, if required.

RSUs cannot be assigned, transferred or otherwise disposed of other than by applicable laws of succession.

Generally, the Amended and Restated RSUP provides that, subject to the provisions of any applicable RSU Award Agreement, upon the Participant incurring a Termination Date prior to the Vesting Date, RSUs which did not vest on or prior to the Participant's Termination Date shall be terminated and forfeited as of the Termination Date. Furthermore, it is also provided that any Awards granted to a Participant who ceases to be a Participant under the Plan for any reason whatsoever shall terminate at a date no later than 12 months from the date such Participant ceases to be a Participant under the Plan.

In the event of a Change of Control, all RSUs, whether vested or not on the date that the Change of Control occurs shall, subject to the approval of the TSXV and other applicable regulatory authority and further subject to the provisions of any written agreement between the Participant and the Corporation if any, vest immediately prior to the Change of Control, and all RSUs shall be paid at the time the Change of Control becomes effective at a price equal to the consideration payable for each share in relation with the Change of Control, less the applicable Withholding Tax Amount. The RSUP also provides for appropriate adjustments, including the issuance of additional RSUs, in the event of share capital adjustments as well as in the event of the payment of dividends in cash or in shares. The RSUP provides that the Corporation may make payment in cash in the event the Corporation does not have a sufficient number of Ordinary Shares available under its security-based compensation plans to satisfy its obligations in respect of such dividends.

The Board may amend, suspend or terminate the RSUP at any time if such change does not require Shareholder approval and does not adversely affect the rights of Participants.

A copy of the RSUP may be inspected at the offices of the Corporation at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8, during normal business hours and at the Meeting. In addition, a copy of the RSUP will be mailed, free of charge, to any holder of Ordinary Shares who makes a request in writing to the Corporation. Any such requests should be mailed to the Corporation, at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8 to the attention of the Corporate Secretary.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table shows, as of December 31, 2024, aggregated information for the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance from treasury. On December 31, 2024, there were 22,764,468 Ordinary Shares authorized for issuance under the equity compensation plans.

Plan Category ⁽¹⁾	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:			
A&R Stock Option Plan	13,407,213	0.72	8,244,454
RSUP	-	-	

DSUP	1,112,801	0.72	
Equity compensation plans not approved by securityholders	Nil.	Nil.	Nil.
Total	14,520,014	0.72	8,244,454

Notes:

- (1) *The aggregate number of Ordinary Shares to be delivered upon exercise of all options, RSUs and DSUs shall not exceed 22,764,468 Ordinary Shares.*

OTHER INFORMATION

Indebtedness of Directors and Executive Officers/Employees

As of the date hereof, no director, officer, employee, proposed nominee for election as a director of the Corporation or any of their respective associates, nor any former executive officer, director and employee of the Corporation, has been indebted in the last fiscal year, or is presently indebted, to the Corporation or any of its subsidiaries, or to another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries. During the year ended December 31, 2024, the Corporation did not grant any loan to such persons.

Management Contracts

Management services are provided to the Corporation by companies controlled by the respective NEOs. Other than as set forth below, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in such NEO's responsibilities.

MB Agreement

On March 1, 2022, Mr. Matthieu Bos ("**Bos**") was appointed President and CEO of the Corporation. The Corporation entered into a Management Services Agreement dated March 1, 2022 and on amended December 31, 2023 with Findus Resources Ltd., a company controlled by Bos (the "**MB Agreement**"). Pursuant to the MB Agreement, Findus Resources Ltd. agreed to pay to Bos for his services as the President and CEO of the Corporation total annual fees of \$233,200 payable in equal monthly instalments.

The Corporation may, in its sole discretion, upon recommendation of the Corporation's CGNC Committee, review and adjust upward Bos' annual salary from time to time, but no downward adjustment in Bos' annual salary may be made during the term of the MB Agreement.

The term of the MB Agreement is indefinite, but the engagement of Bos and the MB Agreement may be terminated by either party. The MB Agreement provides for certain payments and benefits to Bos on its termination, without cause and resignation for good cause.

PM Agreement

On February 15, 2022, Mr. Patrick Moryoussef ("**Moryoussef**") was appointed as the Chief Operations Officer of the Corporation. The Corporation entered into a Management Services Agreement dated February 15, 2022 and amended on December 31, 2023 with Consultations PM Inc., a company controlled by Moryoussef (the "**PM Agreement**"). Pursuant to the PM Agreement, Consultations PM Inc. agreed to pay to Moryoussef for his services as the Chief Operations Officer of the Corporation total annual fees of \$233,200 payable in equal monthly instalments.

The Corporation may, in its sole discretion, upon recommendation of the Corporation's CGNC Committee, review and adjust upward Moryoussef's annual salary from time to time, but no downward adjustment in Moryoussef's annual salary may be made during the term of the PM Agreement.

The term of the PM Agreement is indefinite, but the engagement of Moryoussef and the PM Agreement may be terminated by either party. The PM Agreement provides for certain payments and benefits to Moryoussef on its termination, without cause and resignation for good cause.

JDJ Agreement

On July 9, 2024, Mr. Jean-Daniel Joly (“**Joly**”) was appointed as the Chief Financial Officer of the Corporation. The Corporation entered into a Management Services Agreement dated July 9, 2024 with Humphrey Advisory Inc., a company controlled by Joly (the “**JDJ Agreement**”). Pursuant to the JDJ Agreement, Humphrey Advisory Inc. agreed to pay to Joly for his services as the Chief Financial Officer of the Corporation total annual fees of \$200,000 payable in equal monthly instalments.

The Corporation may, in its sole discretion, upon recommendation of the Corporation’s CGNC Committee, review and adjust upward Joly’s annual salary from time to time, but no downward adjustment in Joly’s annual salary may be made during the term of the JDJ Agreement.

The term of the JDJ Agreement is indefinite, but the engagement of Joly and the JDJ Agreement may be terminated by either party. The JDJ Agreement provides for certain payments and benefits to Joly on its termination, without cause and resignation for good cause.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.

Since the commencement of the Corporation’s most recently completed fiscal year, no Informed Person (as the term “Informed Person” is defined in Regulation 51-102), proposed director, or any associate or affiliate of any Informed Person or proposed director has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Corporation or any of its subsidiaries.

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

Other than as set forth in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

OTHER MATTERS

The enclosed form of proxy conveys discretionary authority upon the persons named therein with respect to ancillary or procedural amendments or variations to matters identified in the Notice of the Meeting, and with respect to other ancillary or procedural matters that may properly come before the Meeting. While management of the Corporation knows of no such ancillary or procedural amendments, variations or other matters, which may properly be presented at the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy according to their best judgment.

ADDITIONAL INFORMATION

Additional financial and other information relating to the Corporation may be found on the Corporation’s website at <https://www.falconem.net/> and under the Corporation’s profile on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Corporation’s comparative annual financial statements and management discussion and analysis for its most recently completed financial year.

Shareholders may request copies of the Corporation’s financial statements and management discussion and analysis by contacting Falcon Energy Materials plc at Level 7, Al Maryah Tower, Al Maryah Island, Abu Dhabi Global Market, United Arab Emirates, to the attention of the Corporate Secretary.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular have been approved by the directors of the Corporation.

BY ORDER OF THE BOARD OF DIRECTORS

“Matthieu Bos”

Matthieu Bos,
President and Chief Executive Officer

SCHEDULE 'A'

Auditors' Reporting Package on next page

NOTICE OF CHANGE OF AUDITOR

TO: Raymond Chabot Grant Thornton LLP

AND TO: PricewaterhouseCoopers LLP

AND TO" Autorité des marchés financiers (Québec)
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Financial and Consumer Services Division (Prince Edward Island)

RE: **Notice Regarding Change of Auditor Pursuant to Section 4.11 of National Instrument 51-102 - Continuous Disclosure Obligations**

It is proposed that Falcon Energy Materials plc. (previously SRG Mining Inc.) (the "**Company**") will change its auditor from Raymond Chabot Grant Thornton LLP, Montréal, Québec, Canada (the "**Former Auditor**") to PricewaterhouseCoopers LLP, Montréal, Québec, Canada (the "**Successor Auditor**"), effective as of the date hereof.

The Board of Directors of the Company (the "**Board**") made the recommendation for the change of auditors, following Company's Redomiciliation to the Abu Dhabi Global Market ("**ADGM**").

In accordance with Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**"), the Corporation reports that:

1. the Former Auditor resigned as auditor of the Company at the Company's request.
2. the Audit Committee and the Board of Directors of the Corporation accepted the resignation of the Former Auditor.
3. The auditor's report of Raymond Chabot Grant Thornton LLP on the financial statements of SRG Mining Inc. now named Falcon Energy Materials plc. for the two years ended December 31, 2023 did not contain any modifications as to departures from generally accepted accounting principles or limitation in the scope of the audit.
4. In connection with the audits for the two years ended December 31, 2023, and through February 26, 2025, there have been no reportable events, as defined in the National Instrument.

The change of auditor and the recommendation to appoint the Successor Auditor was approved by the Board.

DATED this February 26, 2025



ON BEHALF OF THE BOARD OF DIRECTORS

Elias J. Elias
Vice-President, Legal and Corporate affairs,
& Corporate Secretary



February 26, 2025

To: Autorité des marchés financiers (Québec)
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Financial and Consumer Services Division (Prince Edward Island)

We have read the statements made by Falcon Energy Materials plc (previously SGR Mining Inc.) in the attached copy of change of auditor notice dated February 26, 2025, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements concerning PricewaterhouseCoopers LLP in the change of auditor notice dated February 26, 2025.

Yours very truly,

/s/PricewaterhouseCoopers LLP

Partnership of Chartered Professional Accountants

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



February 26, 2025

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British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Financial and Consumer Services Division (Prince Edward Island)
Autorité des marchés financiers (Québec)

Dear Sirs/Mesdames:

**Subject: Notice of change of auditors - Falcon Energy Materials plc. (previously
SRG Mining Inc.)**

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditors notice of Falcon Energy Materials plc. (previously SRG Mining Inc.) (the "Company") dated February 26, 2025 (the "Notice") and, based on our knowledge of such information at this time, we are in agreement with statements 1., 2., 3. and 4. as it relates to Raymond Chabot Grant Thornton LLP. We have no basis nor disagree with the last statement contained in the Notice.

Yours very truly,

Raymond Chabot Grant Thornton LLP

Chartered Professional Accountants

Classification : Confidentiel

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AUDIT COMMITTEE CHARTER

1. Purpose and Objectives

- 1.1 The Audit Committee will assist the board of directors (the “Board”) in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company’s process for monitoring compliance with laws and regulations. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Audit Committee member will obtain an understanding of the responsibilities of Audit Committee membership as well as the Company’s business, operations and risks.

2. Authority

- 2.1 The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.
- 2.2 The Board will instruct its external auditors to report directly to the Audit Committee.

3. Composition, Procedures and Organization

Membership

- 3.1 The Audit Committee shall consist of at least three members of the Board, a majority of which are not officers, employees or control persons of the Company or any associates or affiliates of the Company.
- 3.2 The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.
- 3.3 Unless the Board shall have appointed a chair of the Audit Committee or in the event of the absence of the chair, the members of the Audit Committee shall elect a chair from among their number.
- 3.4 The secretary of the Audit Committee shall be designated from time to time from one of the members of the Audit Committee or, failing that, shall be the Company’s corporate secretary, unless otherwise determined by the Audit Committee.
- 3.5 The Audit Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and



responsibilities.

Meetings

- 3.6 The quorum for meetings shall be a majority of the members of the Audit Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- 3.7 Meetings of the Audit Committee shall be conducted as follows:
- (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. Special meetings shall be convened as required. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;
 - (b) the chair of the Audit Committee shall be responsible for developing and setting the agenda for Audit Committee meetings and determining the time and place of such meetings;
 - (c) the Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate; and
 - (d) notice of the time and place of every meeting of the Audit Committee shall be given in writing to each member of the Audit Committee a reasonable time before the meeting.
- 3.8 The proceedings of all meetings of the Audit Committee will be minuted.

Procedures

- 3.9 The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.
- 3.10 The Audit Committee shall have authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

4. Roles and Responsibilities

- 4.1 The overall duties and responsibilities of the Audit Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements;
 - (b) to establish and maintain a direct line of communication with the Company's internal



auditors, if any, and external auditors and assess their performance; and

- (c) to ensure that the management of the Company's has designed, implemented and is maintaining an effective system of internal financial controls.

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

- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors and ensure no unjustifiable restrictions or limitations have been placed on the scope;
- (c) to review the audit plan of the external auditors prior to the commencement of the audit;
- (d) to approve in advance the provision of non-audit services provided by the external auditors;
- (e) to review with the external auditors, upon completion of their audit:
 - (i) the content of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) internal resources used;
 - (v) significant transactions outside of the normal business of the Company;
 - (vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
- (f) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles.

4.3 The duties and responsibilities of the Audit Committee as they relate to the Company's internal auditors, as and when applicable, shall be as follows:

- (a) to periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department; and
- (b) to review significant internal audit findings and recommendations.

4.4 The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Company shall be as follows:

- (a) to review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and



systems and financial controls, management reporting and risk management;

- (b) to review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (c) to periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4.5 The Audit Committee is also charged with the responsibility to:

- (a) review the annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are completed and consistent with the information known to the Audit Committee;
- (b) evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
 - (i) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (ii) generally accepted accounting principles have been consistently applied;
 - (iii) there are any actual or proposed changes in accounting or financial reporting practices; and
 - (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider adequacy of that disclosure;
- (c) review and approve the financial sections of:
 - (i) the annual report to shareholders;
 - (ii) the annual information form (if any);
 - (iii) prospectuses (if any); and
 - (iv) other public reports requiring approval by the Board; and report to the Board with respect thereto;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review the minutes of any Audit Committee meeting;
- (f) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have



a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

- (g) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; 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; and
- (h) establish a procedure for:
 - (i) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (ii) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

Approved by the Board of Directors on January 18, 2017