



The Annual General Meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Queen's Road Capital Investment Ltd. (the "**Company**" or "**QRC**") will be held at Cheung Kong Center, Suite 2006, 2 Queen's Road Central, Hong Kong at 9:00 a.m. (Hong Kong time) on Friday December 22, 2023 for the following purposes:

1. to receive the audited financial statements of the Company for the year ended August 31, 2023, and the auditor's report thereon;
2. to set the number of directors of the Company (the "**Board**") at five (5) for the ensuing year;
3. to elect directors for the ensuing year;
4. to re-appoint KPMG LLP, Chartered Professional Accountants, as auditor for the ensuing year and to authorize the Board to fix the auditor's remuneration; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular dated November 20, 2023, accompanying this Notice.

The board of directors of the Company (the "**Board**") have fixed the record date for the Meeting as the close of business on November 20, 2023.

**Registered shareholders of the Company who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed Proxy and return it by mail, hand delivery or fax to our transfer agent, Computershare Investor Services Inc., as follows:**

1. By mail or by hand: Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Canada M5J 2Y1; or
2. By facsimile to +1-416-263-9524 or +1-866-249-7775

Alternatively, you may vote through the internet at [www.investorvote.com](http://www.investorvote.com) or by telephone at +1-866- 732-8683 (toll free). You will require your 15-digit control number found on your proxy form to vote through the internet or by telephone.

Beneficial or non-registered Shareholders should follow the instructions on the Voting Instruction Form provided by the intermediaries with respect to the procedures to be followed for voting at the Meeting.

DATED at Hong Kong, this 20th day of November 2023

**BY ORDER OF THE BOARD**  
Warren Gilman  
Chairman of the Board

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## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

### MANAGEMENT INFORMATION CIRCULAR

(all information is as at November 20, 2023 unless otherwise noted)

### PROXY INFORMATION

#### **Solicitation of Proxies**

This Management Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Queen's Road Capital Investment Ltd. ("**QRC**" or the "**Company**") for use at the annual general meeting (the "**Meeting**") of shareholders ("**Shareholders**") to be held on December 22, 2022, and at any adjournments thereof at the time and place, and for the purposes, set forth in the accompanying Notice of Meeting.

While it is expected that the solicitations will be primarily by mail, proxies may be solicited personally or by telephone, without special compensation, by directors, officers and regular employees of QRC or by agents retained for that purpose. The Company does not have any contract or arrangement for the solicitation with any specially engaged employees or soliciting agents. The Company does not reimburse Shareholders' nominees or agents (including brokers and other persons holding shares on behalf of clients) for any costs incurred in obtaining from their principals proper authorization to execute proxies. The Company does not reimburse brokers and other persons holding shares in their own name or in the names of their nominees for expenses incurred in sending proxies and proxy materials to the beneficial owners thereof in obtaining their proxies. All costs of all solicitations on behalf of management will be borne by the Company. The Company will not be sending meeting materials using the "notice-and-access" procedure under NI 54-101.

For the purposes of Item 3 of Form 51-102F5 under National Instrument 51-102 - Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company advises that no director of the Company has informed management in writing that such director intends to oppose any action intended to be taken by management at the Meeting.

#### **Appointment of Proxyholders**

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

#### **Voting by Proxyholder**

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

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;

- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

### **Registered Shareholders**

Registered shareholders of the Company ("**Registered Shareholders**") may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

### **Beneficial Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

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

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of Shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs, should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting, and the appointment of any Shareholder's representative.

If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

The Company is authorized to issue up to 5,000,000,000 Common Shares with a par value of C\$0.001, of which 456,597,161 Common Shares were issued and outstanding on November 20, 2023, the record date (the "**Record Date**") for the Meeting. Each Common Share carries the right to one vote on any poll at meetings of Shareholders. The Company has no other class of voting securities.

In respect of currently issued and outstanding Common Shares, those persons entitled to receive notice of and to attend and vote at the Meeting in person or by Proxy will be determined by the record of Registered Shareholders of QRC at 4:00 p.m. (Hong Kong time) on the Record Date. If the Company should issue additional Common Shares from treasury after the Record Date, the person or persons to whom those shares are issued shall not be entitled to receive notice of or vote at the Meeting.

The quorum required for the transaction of business at the Meeting is two or more Shareholders present in person or by proxy or, if a corporation, by its authorised representative throughout the Meeting.

To the best of the knowledge of our directors and senior officers, no person or corporation beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all of our issued Common Shares other than:

Name	Number of Common Shares <sup>(1)</sup>	Percentage of Outstanding Common Shares <sup>(2)</sup>
Corom Pty Ltd	114,563,616	25.4%
Wyloo Metals Pty Ltd	107,770,605	23.9%
BBRC International Pte Ltd	62,541,660	13.9%

(1) Information regarding the ownership of the Company's Common Shares has been taken from their respective filings on the System for Electronic Disclosure by Insiders at [www.sedi.ca](http://www.sedi.ca) on November 15, 2023. These numbers do not include any shares issued under the dividend reinvestment program to settle the dividend paid on November 16, 2023.

(2) The percentage is calculated based on the number of issued Common Shares as of November 15, 2023.

As of November 15, 2023, the directors and executive officers of the Company, as a group, owned beneficially, directly or indirectly, or exercised control or direction over, approximately 45,356,115 Common Shares representing approximately 10.1% of the issued Common Shares on November 15, 2023.

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

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

For the purpose of this paragraph, "person" shall include each person or company: (a) who has been a director or executive officer of the Company at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a director of the Company; and (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, or any of its subsidiaries.

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

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

An "informed person" means:

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

### **Financial Statements**

The Company's financial statements for the financial year ended August 31, 2023 together with the auditors' report thereon and related management's discussion & analysis will be placed before the Shareholders at the Meeting. The financial statements are available on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR+**") website at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at [www.queensrdcapital.com](http://www.queensrdcapital.com). No vote by Shareholders with respect to the financial statements is required or proposed to be taken.

### **Number of Directors**

Management proposes that the number of directors on the Company's Board be set at five (5) for the ensuing year.

Shareholders will be asked at the Meeting to approve an ordinary resolution to set the number of directors elected for the ensuing year at five (5), subject to such increases as may be permitted by the articles of the Company and the provisions of the Corporations Act of the Cayman Islands.

***We recommend a vote "FOR" the approval of the resolution setting the number of directors at five (5).***

***In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the resolution setting the number of directors at five (5).***

### **Election of Directors**

Each director of the Company holds office until the conclusion of the first annual general meeting of Shareholders held after his or her appointment, election or re-election, unless that person ceases to be a director or withdraws his or her consent to stand for re-election before such meeting. Accordingly, each person elected or re-elected as a director at the Meeting will hold office until the conclusion of the next annual general meeting of Shareholders unless that person ceases to be a director or withdraws his or her consent to stand for re-election before such meeting.

### ***Director Nominees***

The five persons named in the table below are management's nominees for election at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a Director.

The following table sets out the names of management's nominees for election as directors, their respective Province or State and Country of residence, the periods during which incumbent directors have served as directors and their committee memberships, the positions and offices with the Company and its subsidiary held by each nominee, if any, the present principal occupation business or employment of each nominee, including the name and principal business of any company in which such employment is carried on, and the number of Common Shares and percentage of the issued Common Shares, and the number of incentive stock options ("**Options**") beneficially owned, or controlled or directed, by each nominee as of the date of this Circular.

Name, Province or State and Country of Residence <sup>(1)</sup> , and Office Held	Principal Occupation, Business or Employment <sup>(1)</sup>	Director Since <sup>(2)</sup>	Number of Common Shares <sup>(3)</sup> and other securities beneficially owned, directly, or indirectly, or controlled or directed
<b>Warren Gilman</b> Hong Kong <i>Chairman, Non-Independent Director &amp; Chief Executive Officer</i>	Founder and Director of Queen's Road Central Capital Ltd., a Hong Kong- based consulting business, since 2019. Chairman and CEO of the Company since January 2020. Director of QRC Nexgen Investment Ltd. since July 2021.	May 2, 2019	36,000,827 Common Shares (8.1%) <sup>(6)</sup> 17,500,000 options
<b>Alex Granger<sup>(4)</sup></b> Hong Kong <i>Non-Independent Director &amp; President</i>	Director of the Company since 2019. President of the Company since January 2020. Director of QRC Nexgen Investment Ltd. since July 2021.	May 2, 2019	2,805,668 Common Shares (<1%) <sup>(6)</sup> 11,000,000 options
<b>Michael Cowin<sup>(4)(5)</sup></b> NSW, Australia <i>Independent Director</i>	Principal of Corom Funds Management Pty Ltd., an Australia-based investment company, since 2018. Equity partner and Director of Northcape Capital Pty Ltd., an Australia-based investment fund from 2008 to 2018.	Feb 12, 2020	3,567,528 Common Shares <sup>(7)</sup> (<1%) <sup>(6)</sup> 3,000,000 options
<b>Donald Roberts<sup>(4)(5)</sup></b> Hong Kong <i>Independent Director</i>	Retired Group Deputy Chief Financial Officer of Hutchison Whampoa Limited, a predecessor to CK Hutchison Holdings Limited, a Hong Kong-based investment company.	Feb 12, 2020	884,432 Common Shares (<1%) <sup>(6)</sup> 2,000,000 options
<b>Peter Chau</b> Hong Kong <i>Independent Director</i>	Managing Director and Chief Investment Officer of Infiniti Investment Management Ltd., a Hong Kong-based investment company, since 2005.	Nov 5, 2020	1,241,612 Common shares (<1%) <sup>(6)</sup> 1,500,000 options

**Notes:**

- (1) The information as to state and country of residence, principal occupation, business or employment has been furnished by the respective nominees.
- (2) The term of office of each director expires after the conclusion of the next annual general meeting of Shareholders following the director's election or appointment to the Board.
- (3) Information regarding the ownership of the Company's Common Shares has been taken from their respective filings on the System for Electronic Disclosure by Insiders at www.sedi.ca. on November 15, 2023. These numbers do not include any shares issued under the dividend reinvestment program to settle the dividend paid on November 16, 2023.
- (4) Messrs. Roberts (Chair), Granger and Cowin are members of the Audit Committee.
- (5) Messrs. Cowin (Chair) and Roberts are members of the CCGN Committee.
- (6) The amount in brackets represents the percentage held of the issued Common Shares as of November 15, 2023.
- (7) Includes 1,330,866 Common Shares held by Corom Investments Pty Ltd., 1,038,496 Common Shares held by Bunkwee Investments Pty Ltd., 1,038,136 Common Shares held by JJC FT Pty Ltd., and 160,030 Common Shares held by M&K Investments Superannuation Fund, all companies controlled by Mr. Cowin.

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

Form 51-102F5 also requires disclosure of certain background information on nominees. The Company has confirmed with the nominees that no proposed director:

- (a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director, CEO or CFO of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to:
  - (i) 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
  - (ii) 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.

### ***Majority Voting Policy***

As part of the Company's corporate governance practices, the Board adopted a Majority Voting Policy that requires, in an uncontested election of directors, any nominee for election as a director who receives a greater number of votes "withheld" than votes "for" to tender his or her resignation to the Chairman of our Board promptly following the Meeting.

The Compensation, Corporate Governance and Nomination Committee (the "**CCGN Committee**") will then consider the offer of resignation and make a recommendation to the Board on whether to accept it. In considering whether or not to recommend acceptance of the resignation, the CCGN Committee will consider all factors deemed relevant by its members. The CCGN Committee will be expected to recommend acceptance of the resignation except in exceptional circumstances where the consideration would warrant the applicable director continuing to serve on the Board.

The Board will make its final decision and announce it in a news release within 90 days following the Meeting. A director who tenders his resignation pursuant to this policy will not participate in any meeting of the Board or the CCGN Committee at which the resignation is considered.

***We recommend a vote "FOR" the election of each of the nominees.***

***In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of Proxy intend to vote FOR the election of the nominees.***

### **Appointment and Remuneration of Auditor**

Shareholders will be asked to approve the re-appointment of KPMG LLP, Chartered Professional Accountants, as the Company's auditor to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the directors.

KPMG LLP, Chartered Professional Accountants, have served as our auditor since January 7, 2021.

**We recommend a vote "FOR" the re-appointment of KPMG LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting of the Shareholders, at a remuneration to be fixed by the directors.**

**In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the re-appointment of KPMG LLP.**

### **OTHER BUSINESS**

If other matters are properly brought up at the Meeting, you (or your proxyholder, if you are voting by proxy) can vote as you see fit. We are not aware of any other items of business to be considered at the Meeting.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

For the purpose of this statement of executive compensation, a "CEO" or "CFO" means each individual who served as Chief Executive Officer or Chief Financial Officer, respectively, of the Company or acted in a similar capacity during the most recently completed financial year. A "Named Executive Officer" or "NEO" means each CEO, each CFO, the Company's most highly compensated officer, other than the CEO and CFO, who was serving as an officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000, and any additional individuals who would be a Named Executive Officer but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of the financial year.

Based on the foregoing definitions, the Company's Named Executive Officers in respect of the year ended August 31, 2023 were Warren Gilman, Chairman, CEO and a director; Alex Granger, President and a director, and Vicki Cook, CFO.

## **Compensation Philosophy, Objectives and Governance**

Compensation of Named Executive Officers and directors is determined based on discussion by the Board of Directors. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and results with a view to increasing long-term Shareholder value; and (b) align management's interests with the long-term interests of Shareholders.

The Board evaluates individual executive performance with the goal of setting compensation at levels that they believe are comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation, the Board base their decisions on their general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account the Company's relative performance and strategic goals.

The CCGN Committee was formed by the Board on August 31, 2020. The CCGN Committee reviews and makes recommendations to the Board in its oversight role with respect to, among other things:

- (a) fair compensation of executive officers and directors of the Company;
- (b) performance of the CEO and CEO succession planning;
- (c) individuals qualified to become new directors of the Company, while giving equal consideration to women for Board positions;
- (d) director nominees for the next annual meeting of Shareholders;
- (e) the policies of the Board on an annual basis and, if considered appropriate by the CCGN Committee, suggest changes to the Board;
- (f) performing such tasks as indicated in the Company's Corporate Governance Guidelines; and
- (g) administering the Code and other relevant policies of the Company.

The current members of the CCGN Committee are Messrs. Cowin and Roberts. Messrs. Cowin and Roberts are each independent directors within the meaning of NI 52-110. Mr. Cowin is the Chairman of the CCGN Committee.

Each member of the CCGN Committee has the necessary experience to enable him to make decisions on the suitability of the Company's compensation policies or practices.

### **Mr. Cowin**

Mr. Cowin is the Principal of Corum Funds Management Pty. Ltd., an entity managing the Cowin family office investments. He is also Chairman of Domino's Pizza Japan Inc. and a Director of Apache Industrial Services, CTE Investments, and Rockmaster Resources Corp.. Mr. Cowin has over 25 years investment experience in the wholesale funds management sector in Australia. From 2007 to 2018, he was an equity partner and Director of Northcape Capital Pty. Ltd., a boutique investment fund which managed over A\$10 billion. He was the portfolio manager for the Emerging Companies Fund at Northcape Capital. Prior to Northcape Capital, Mr. Cowin was a senior portfolio manager at AMP from 2004-2007 where he ran the AMP Small Companies Fund. From 2003- 2004, he managed the Small Companies Fund at UBS managing 'small cap' money. Mr. Cowin has a Bachelor of Chemical Engineering (Honours) from the University of NSW and a Masters of Business Administration from the Australian Graduate School of Management.

## **Mr. Roberts**

Mr. Roberts is an Independent Non-executive Director ("**INED**") and a member of the Audit and Nomination Committees of CK Asset Holdings and CK Life Sciences Int'l., (Holdings) Inc. (both listed in Hong Kong); a member of the Remuneration Committee of CK Life Sciences Int'l., (Holdings) Inc. and an INED and Chairman of the Audit and Remuneration Committees of HK Electric Investments (listed in Hong Kong). He is also an INED of Welab Bank Limited, a licensed virtual bank in Hong Kong. Don had a successful career with CK Hutchison Holdings (formerly Hutchison Whampoa Limited ("**HWL**")), a Fortune 500 company listed in Hong Kong. He joined HWL in 1988 and was the Group Deputy Chief Financial Officer of HWL from 2000 until his retirement in 2011. Prior to that, he completed his professional training with PricewaterhouseCoopers in Canada and held senior manager positions in their offices in Europe and Hong Kong. Mr. Roberts was a Member of the Listing Committee of the Main Board and GEM of The Stock Exchange of Hong Kong Limited from July 2015 to July 2020. Don has lived and worked in Hong Kong since 1984 and has served as a Governor and a member of the Executive Committee of The Canadian Chamber of Commerce (the "**Chamber**") in Hong Kong. He is currently a Governor of the Chamber. Don served as a Governor of the Canadian International School of Hong Kong for the periods between 1998 to 2004, and between 2006 to 2012 and also as a member on its Finance & Administration Committee. Mr. Roberts served as a member, including as the Deputy Chairman, of the Professional Conduct Committee of the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for 9 years. He holds a Bachelor of Commerce degree from the University of Calgary and is a Chartered Accountant with the Chartered Professional Accountants of Canada, Alberta and British Columbia, and a Fellow of the HKICPA.

## **Compensation Process**

The CGGN Committee is responsible for reviewing and recommending to the Board all compensation arrangements for the NEOs of the Company and the directors, including stock option grants, on an annual basis.

## ***Elements of Executive Compensation***

The executive officer compensation consists of three basic elements: i) base salary; ii) the payment of bonuses where appropriate, at the discretion of the Board, and ii) incentive stock options. The base salary established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance and other discretionary factors deemed relevant by the Board. In deciding on the salary portion of the compensation of the executive officers, major consideration is given to the fact that the Company is an early-stage investment company and must rely mainly on funds raised from equity financing. Therefore, greater emphasis may be put the achievement of set strategic investments for the payment of bonuses and on incentive stock option compensation. The incentive stock option portion of the compensation is designed to provide the executive officers of the Company with a long-term incentive in developing the Company's business. Options granted under the Company's stock option plan are approved by the Board, and if applicable, its subcommittees, after consideration of the Company's overall performance and whether the Company has met targets set out by the executive officers in their strategic plan.

As at the year ended August 31, 2023, the significant elements of compensation awarded to the NEOs were cash salaries, cash bonuses and Options. The Board reviews annually the total compensation package of each of the Company's executives on an individual basis, against the backdrop of the compensation goals and objectives described above.

### *Cash Salary and Bonus*

Base compensation and bonus for executive officers of the Company is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions and peer group analysis. In setting base compensation and bonus levels, consideration is to be given to such factors as level of responsibility, experience and expertise in addition to the policies of the TSX. Subjective factors such as leadership, commitment and attitude are also to be considered.

### *Options*

As part of the long-term component to the executive compensation program, executive officers of the Company are eligible to receive Options. The maximization of Shareholder value is encouraged by granting Options since it provides an incentive to eligible persons to further the development, growth and profitability of the Company. Consideration will be given to granting Options amongst the various organizational levels of management, including directors, officers, employees and certain consultants. The CEO makes recommendations to the Board for the CFO, employees and certain consultants. These recommendations are to take into account factors such as awards made in previous years, the number of options and share awards outstanding per individual and the level of responsibility. The Board, as a whole, determines the Options to be issued to the CEO.

### *Pension Plans*

The Company does not have any form of pension plan that provides for payments or benefits to the NEOs at, following or in connection with retirement. The Company does not have any form of deferred compensation plan.

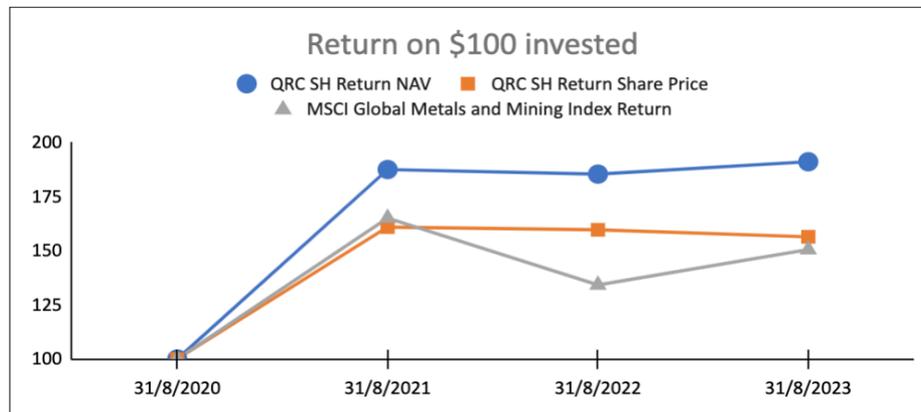
### ***Elements of Director Compensation***

On January 1, 2020, a director compensation program was put in place whereby the directors of the Company who are not Named Executive Officers ("**NEO'S**") would receive annual director's fees, paid quarterly. All directors are reimbursed for reasonable expenses incurred by them in their capacity as directors, including among other things, travel and out of pocket expenses incurred in connection with meetings of the Board or any committee of the Board. In addition, the directors are entitled to participate in the Company's stock option plan. The Board annually reviews the Company's approach to director compensation, generally, against the backdrop of the compensation goals and objectives described above.

In addition to directors' fees, directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the CCGN Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for Shareholders to understand.

## Performance Graph

The following performance graph illustrates the Company's cumulative Shareholder return over the three (3) most recently completed financial years, (which includes the Company's change of business completed in 2020 and periods in which the Company's Common Shares were listed on the TSXV), compared to the MSCI Global Metals and Mining Index, which is considered a market index that provides a reasonable reference point for the Company's return due to the underlying investments in similar sectors. The Company graduated from the TSXV to the TSX on July 6, 2022. The closing price for the Common Shares on the TSX on August 31, 2023 (the last trading day in the Company's most recently completed financial year) was C\$0.65.



### Notes:

- (1) Returns for 2021 to 2023 have been presented as the Company completed a change of business in 2020.
- (2) The Company's Shareholder return using net asset value ("QRC SH Return NAV") is calculated based on \$100 invested on August 31, 2020, adjusted for the change in the net asset value per share, based on the total net assets divided by the issued and outstanding shares per the audited consolidated financial statements at August 31 each year, assuming annual dividends are reinvested in the Company's shares.
- (3) The Company's Shareholder return using share prices ("QRC SH Return Share Price") is calculated based on \$100 invested on August 31, 2020, adjusted for the change in the closing market price at August 31 each year, assuming annual dividends are reinvested in the Company's shares.
- (4) The MSCI Global Metals and Mining Index Return is based on US\$100 invested on August 31, 2020 adjusted for the change in the closing market price at August 31 each year of the MSCI Global Metals & Mining Producers ETF (PICK), assuming dividends are reinvested in the PICK.

The Company completed a change of business in January 2020 and the management team and Board were appointed during 2020 and 2021. The trend shown in the above graph does not provide a meaningful comparison to the trend in executive compensation. The total compensation for the executive officers is affected by increases and decreases in the price of Common Shares as the value of Options increase or decrease as Common Share prices increase or decrease. Options and bonuses (to the extent that such payments are based on meeting corporate performance expectations) represent "at risk" compensation which help align the total return on the Common Shares and the compensation received by the Company's executive officers. Total executive compensation does not always directly correlate with increases and decreases in the total return on the Common Shares due to impacts on share value that are beyond the Company's control, such as the need of the Company to continue to provide competitive salaries and increases in salary levels relative to the market.

The trading price of the Common Shares is subject to fluctuation based on several factors, many of which are outside the control of the Company. These include, but are not limited to, fluctuations and volatility in global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors, some of which are disclosed and discussed under the heading "Risk Factors" in the Company's annual information form dated November 20, 2023.

## NAMED EXECUTIVE OFFICER COMPENSATION

### Summary Compensation Table

The following table and notes thereto provide a summary of the compensation earned by the NEOs of the Company:

Name and Principal Position(s)	Year	Salary / Fees Earned <sup>(1)</sup> (\$)	Option-Based Awards <sup>(5)</sup> (\$)	Non-Equity Incentive Plan Compensation		Total Compensation (\$)
				Annual Incentive Plans <sup>(6)</sup> (\$)	Long-Term Incentive Plans (\$)	
<b>Warren Gilman</b> <sup>(2)</sup> <i>Chairman, CEO and Director</i>	2023	\$450,000	-	\$540,000	-	\$990,000
	2022	\$433,333	\$4,983,900	\$520,000	-	\$5,937,233
	2021	\$400,000	-	\$480,000	-	\$880,000
<b>Alex Granger</b> <sup>(3)</sup> <i>President and Director</i>	2023	\$250,000	-	\$175,000	-	\$425,000
	2022	\$233,333	\$2,278,354	\$163,333	-	\$2,675,020
	2021	\$200,000	-	-	-	\$200,000
<b>Vicki Cook</b> <sup>(4)</sup> <i>Chief Financial Officer</i>	2023	\$200,000	-	\$90,000	-	\$290,000
	2022	\$173,333	\$854,383	\$78,000	-	\$1,105,716
	2021	\$40,000	-	-	-	\$40,000

**Notes:**

- (1) US dollar value of cash base salary of NEO fees during the financial year covered in the table.
- (2) Mr. Gilman was appointed Chairman and a director on May 2, 2019. Effective February 2, 2020, Mr. Gilman was appointed CEO. Mr. Gilman receives his compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated January 29, 2020, between the Company and Queen's Road Central Capital Ltd. See below under "Employment, Consulting and Management Agreements" for a description of the agreement. Mr. Gilman also serves as a director of the Company but receives no additional compensation for his services as a director.
- (3) Mr. Granger was appointed CEO and a director on May 2, 2019. Effective February 2, 2020, Mr. Granger was appointed President of the Company. Mr. Granger receives his compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated January 29, 2020, between the Company and Xela Environment Ltd. See below under "Employment, Consulting and Management Agreements" for a description of the agreement. Mr. Granger also serves as a director of the Company but receives no additional compensation for his services as a director.
- (4) Ms. Cook was appointed as CFO on May 31, 2021.
- (5) The grant date fair value for compensation purposes is calculated using the Black-Scholes option pricing methodology, which is the fair value determined in accordance with International Financial Reporting Standards. This calculation was based on a risk-free interest rate of 1.6%; an expected life of 2.75 years; and an expected volatility of 76.0%. The Black-Scholes option pricing methodology was selected due to its acceptance as an appropriate valuation model used by other listed companies. The resulting fair value was calculated in Canadian dollars and translated at the exchange rate of the date of grant of the options. The resulting fair value is an estimate of the value which may ultimately be received based on the historical volatility in the Company's share price. It is important to note that the actual value realized pursuant to Option awards may be greater or less than the indicated value.
- (6) Represents annual cash bonuses payable during the respective calendar year for individual and corporate performance relating to the financial year ended in that calendar year, payable after the end of the financial year.

The Company does not have any share-based awards, non-equity long term incentive plans, pension plans or pay any other compensation to its NEOs not disclosed in the above table.

### **Stock Options**

The following table is a summary of all outstanding option-based awards for each NEO as at August 31, 2023:

Name and Position(s)	Option-based Awards			
	Number of securities underlying unexercised options	Option Exercise price (C\$)	Option Expiration date	Value of unexercised in-the- money options <sup>(1)</sup> ( \$ )
<b>Warren Gilman</b> <i>Chairman, CEO and Director</i>	17,500,000	\$0.64	February 28, 2027	\$129,553
<b>Alex Granger</b> <i>President and Director</i>	3,000,000	\$0.30	February 03, 2025	\$777,315
	8,000,000	\$0.64	February 28, 2027	\$59,224
<b>Vicki Cook</b> <i>Chief Financial Officer</i>	3,000,000	\$0.64	February 28, 2027	\$22,209

**Notes:**

- (1) Calculated based on the difference between the closing market price of the shares on August 31, 2023 (C\$0.65) and the exercise price of the Options multiplied by the number of Options translated to US dollars at the exchange rate at August 31, 2023.

### **Incentive Plans – Value Vested or Earned During the Year**

The following table provides a summary of the value of vested or earned by each NEOs during the year ended August 31, 2023:

Name and Position(s)	Option-based awards Value vested during the year <sup>(1)</sup> ( \$ )	Non-Equity Incentive Plan Compensation Value vested during the year <sup>(2)</sup> ( \$ )
<b>Warren Gilman</b> <i>Chairman, CEO and Director</i>	\$384,720	\$540,000
<b>Alex Granger</b> <i>President and Director</i>	\$175,872	\$175,000
<b>Vicki Cook</b> <i>Chief Financial Officer</i>	\$65,952	\$90,000

**Notes:**

- (1) This is the aggregate dollar value that would have been realized if the Options had been exercised on their vesting date and assuming the NEO had the entire vested amount available for exercise. The value is calculated on the difference between the closing market price of the shares on the date each option vested (C\$0.70) and the exercise price of each option multiplied by the number of Options translated to US dollars at the exchange rate on the vesting date. Options vest 50% on grant date and 50% on the one-year anniversary of the grant date.
- (2) This is the annual cash bonus based on performance objectives payable for the year ended August 31, 2023.

## Consultancy Agreements

The Company entered into consultancy agreements with each of our NEOs. In the year ended August, 31, 2023, each of our NEOs compensation was comprised of a base fee and an annual performance bonus based on the Company's annual corporate objectives.

Each of our NEOs consultancy agreements contain confidentiality provisions of indefinite application. As well, each of the NEOs have agreed to give at least one months' notice in writing.

### **Warren Gilman**

The consulting agreement dated January 29, 2020, between the Company and Queen's Road Central Capital Ltd., a privately-owned company held by Mr. Gilman, requires the Company to pay QRCC \$400,000 per annum (the "**QRCC Annual Base Fee**") for services provided to the Company by Mr. Gilman. The QRCC Annual Base Fee was increased to \$450,000 on January 1, 2022 and will be increased from \$450,000 to \$500,000 from January 1, 2024.

### **Alex Granger**

The consulting agreement dated January 29, 2020, between the Company and Xela Environmental Ltd. ("**Xela**"), a privately-owned company held by Mr. Granger, requires the Company to pay Xela \$200,000 per annum (the "**Xela Annual Base Fee**") for services provided to the Company by Mr. Granger. The Xela Annual Base Fee was increased to \$250,000 on January 1, 2022 and will be increased from \$250,000 to \$275,000 from January 1, 2024.

### **Vicki Cook**

The consulting agreement dated May 1, 2021, between the Company and Ms. Cook requires the Company to pay Ms. Cook \$120,000 per annum (the "**Annual Base Fee**") for services provided to the Company. The Annual Base Fee was increased to \$200,000 on January 1, 2022 and will be increased from \$200,000 to \$220,000 from January 1, 2024.

## Termination and Change of Control Benefits

The Company has entered into consulting agreements within each NEO pursuant to which the Company has agreed to make certain payments to the executive in the event of termination without cause or a "change of control" ("**COC**"). Assuming that the triggering event occurred on August 31, 2023, each NEO would be entitled to receive the following:

<b>Name and Position(s)</b>	<b>Event</b>	<b>Base Fee<sup>(1)(2)</sup> (\$)</b>	<b>Bonus<sup>(1)(2)</sup> (\$)</b>	<b>Option-Based Awards<sup>(3)(4)</sup> (\$)</b>	<b>Total (\$)</b>
<b>Warren Gilman</b> <i>Chairman, CEO and Director</i>	Termination without cause	\$675,000	\$530,000	\$129,553	\$1,334,553
	COC	\$900,000	\$530,000	\$129,553	\$1,559,553
<b>Alex Granger</b> <i>President and Director</i>	Termination without cause	\$375,000	\$169,167	\$836,539	\$1,380,706
	COC	\$500,000	\$169,167	\$836,539	\$1,505,706
<b>Vicki Cook</b> <i>Chief Financial Officer</i>	Termination without cause	\$200,000	\$84,000	\$22,209	\$306,209
	COC	\$300,000	\$84,000	\$22,209	\$406,209

**Notes:**

- (1) Pursuant to the NEO consulting agreements, if the agreement with Mr. Gilman, Mr. Granger or Ms. Cook is terminated without cause their severance will be calculated as a lump sum payment equal to (a) in the case of Mr. Gilman and Mr. Granger, 1.5x their annual base fee, and in the case of Ms. Cook, 1.0x her annual salary; and (b) the average of such NEOs annual bonus in the two (2) years prior to termination. In the event that the NEO resigns from their employment, no severance is payable.
- (2) Pursuant to NEO consulting agreements, if the agreement with Mr. Gilman, Mr. Granger or Ms. Cook is terminated within 12 months of a change of control, their severance will be calculated as a lump sum payment equal to (a) in the case of Mr. Gilman and Mr. Granger, 2.0x their annual salary, and in the case of Ms. Cook, 1.5x her annual salary; and (b) the average of such NEOs annual bonus in the two (2) years prior to termination. In the event that the NEO resigns from their employment, no severance is payable.
- (3) On termination without cause, all Options that have not vested within 90 days of the termination date shall terminate.
- (4) In the event the NEO resigns from their employment, all unvested Options are forfeited upon cessation of employment. NEOs have 90 days following the cessation of employment to exercise vested Options. Please refer to the table set out under the heading "Stock Options" for the value of unvested Options as at August 31, 2023.

**DIRECTOR COMPENSATION**

Our independent director compensation is designed to attract and retain high caliber Board members and our approach to Board compensation is to be competitive with our peers, reflect best practice and take into account corporate governance trends.

The CCGN Committee reviews the Board compensation on an annual basis and recommends revisions to the compensation paid to directors when warranted in the circumstances. In addition, the Board may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director. Previous grants of Options are taken into account when considering new grants of Options.

For the year ended August 31, 2023 our independent directors were compensated for their services as directors as set out in the table below. Our directors were also reimbursed for reasonable travel and other out-of-pocket expenses incurred in connection with attending meetings and otherwise carrying out their duties as directors of the Company.

Name and Position(s)	Salary / Fees Earned <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Total Compensation (\$)
			Annual Incentive Plans (\$)	Long- Term Incentive Plans (\$)	
<b>Michael Cowin</b> <i>Audit Committee Chair</i> <i>CCGN</i>	\$23,000	-	-	-	\$23,000
<b>Donald Roberts</b> <i>Chair Audit CCGN</i>	\$23,000	-	-	-	\$23,000
<b>Peter Chau</b>	\$20,000	-	-	-	\$20,000

**Notes:**

- (1) US dollar value of all fees awarded, earned paid or payable in cash for services as a director in the financial year ended August 31, 2023, including annual retainer fees of \$20,000 per annum, payable quarterly and Committee Chair fees of \$3,000 per annum, payable quarterly.

(2) No options were granted to directors during the year ended August 31, 2023.

The Company does not have any share-based awards, non-equity long term incentive plans, pension plans or pay any other compensation to its directors not disclosed in the above table.

### **Outstanding Option-based Awards**

The following table sets out all option-based outstanding for each of our independent directors as at August 31, 2023.

Option-based awards that were granted have a price per Common Share based on the closing market price of our Common Shares on the day prior to the date of grant.

Name	Option-based Awards			
	Number of securities underlying unexercised options	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
Michael Cowin	3,000,000	\$0.64	February 28, 2027	\$22,209
Donald Roberts	2,000,000	\$0.64	February 28, 2027	\$14,806
Peter Chau	1,500,000	\$0.64	February 28, 2007	\$11,105

**Notes:**

(1) Calculated based on the difference of the closing market price of our shares on August 31, 2023 (\$0.65) and the exercise price of each Option multiplied by the number of Options translated to US dollars at the exchange rate at August 31, 2023.

### **Option-Based Awards - Value Vested or Earned During the Year**

The following table sets out the value of awards for each of our non-executive directors, vested or earned during the year ended August 31, 2023.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)
Michael Cowin	\$65,952
Donald Roberts	\$43,968
Peter Chau	\$32,976

**Notes:**

(1) This is the aggregate dollar value that would have been realized if the Options had been exercised on the vesting date and assuming the director had the entire vested amount available for exercise. The value is calculated on the difference between the closing market price of the shares on the date each option vested (C\$0.70) and the exercise price of each option multiplied by the number of Options translated to US dollars at the exchange rate on the vesting date. Options vest 50% on grant date and 50% on the one-year anniversary of the grant date.

## **Stock Option Plans**

Key to the Company's long-term incentive compensation program is the grant of incentive stock options.

The Company implemented a new stock option plan (the "**2022 Option Plan**") following its approval at the Company's December 22, 2022, annual general meeting. The 2022 Option Plan, a 10% rolling stock option plan, was adopted to incorporate various changes required to be made to comply with TSX requirements following the Company's graduation to the TSX. Options granted under Company's prior option plan (the "**Old Option Plan**") continue to be governed by the Old Option Plan. Please refer to "Stock Option Plans" commencing on page 21 of the Company's Management Information Circular dated November 25, 2022 (which is available under the Company's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com)) for a description of the 2022 Option Plan and the Old Option Plan.

The purpose of the 2022 Option Plan is to advance the interests of the Company by encouraging the participants under the plan to acquire Common Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentives in their efforts on behalf of the Company in the conduct of its affairs.

There are currently 38,650,000 options outstanding under the Old Option Plan and no options have been granted under the 2022 Option Plan.

### ***Awards Granted and Burn Rate***

In accordance with the requirements of the TSX, the following table summarizes the number of security-based compensation awards granted to all of our directors, officers and employees during the periods noted below and the annual burn rate of each security-based compensation arrangement:

	Weighted Average Shares Outstanding <sup>(1)</sup>	Stock Option Plan	
		Granted	Burn Rate <sup>(2)</sup>
August 31, 2023	449,617,545	Nil	0
August 31, 2022	366,017,026	35,500,000	0.10
August 31, 2021	277,252,651	Nil	0

**Notes:**

- (1) Pursuant to the requirements of the TSX, the weighted average number of Common Shares outstanding during the period is the number of Common Shares outstanding at the beginning of the period, adjusted by the number of Common Shares bought back or issued during the period, multiplied by a time-weighting factor. The time-weighting factor is the number of days that the Common Shares are outstanding as a proportion of the total number of days in the period.
- (2) The burn rate for a given period is calculated by dividing the number of awards granted during such period by the weighted average number of Common Shares outstanding during such period.

## CORPORATE GOVERNANCE PRACTICES

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board has delegated the corporate governance of the Company to the CCGN Committee. The Board and the Company's management consider good corporate governance to be central to the effective and efficient operation of the Company. Below is a discussion of the Company's approach to corporate governance.

### **Board of Directors**

#### ***Independence of Board of Directors***

Under National Instrument 52-110 - Audit Committees ("**NI 52-110**"), a director is independent if he or she has no direct or indirect material relationship with us. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with us.

The majority of our current directors are independent: Messrs. Cowin, Roberts, and Chau are "independent" within the meaning of NI 52-110. Messrs. Gilman and Granger are not independent because they serve respectively as the CEO and President of the Company, respectively.

#### ***Board Oversight***

The Board currently consists of five (5) members, three of whom are independent. Mr. Gilman is currently the Chair of the Board. The Board has the overall responsibility for the strategic planning and general management of the business and affairs of the Company. The Board facilitates its exercise of independent supervision over management through a combination of formal meetings of the Board, as well as informal discussions amongst the Board members combined with input from its committees having a majority of independent directors.

#### ***Directorships in Other Reporting Issuers***

In addition to their positions on our Board, the following directors also serve as directors of the other reporting issuers or reporting issuer equivalent(s):

DIRECTOR	OTHER REPORTING ISSUERS
Warren Gilman	ACG Acquisition Company Ltd.. (LSE: ACG) Gold Royalty Corp. (NYSE American: GROY) Los Andes Copper Ltd. (TSXV: LA) NexGen Energy Ltd. (TSX; NYSE: NXE)
Michael Cowin	Gold Bull Resources Corp. (TSXV: GBRC; OTC: GBRCF) Rockmaster Resources Corp. (TSXV: RKR)
Donald Roberts	CK Asset Holdings Ltd. (HKSE: 1113.HK) CK Life Sciences International (Holdings) Inc. (HKSE: 775.HK) HK Electric Investments Ltd. (HKSE: 2638.HK) NexGen Energy Ltd. (TSX; NYSE: NXE)

No other current director or nominee is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a Canadian or foreign jurisdiction.

### ***Interlocking Boards***

Two of our directors currently serve on the board of directors of NexGen Energy Ltd.

### ***Attendance of Directors at Board and Committee Meetings***

During the year ended August 31, 2023, the Board held eleven meetings. The attendance record of the directors at Board meetings and other committee meetings is as follows:

<b>Directors</b>	<b>Board Meetings (11 Meetings)</b>	<b>Independent Director Meetings (11 Meetings)</b>	<b>Investment Committee Meetings (1 Meeting)</b>	<b>Audit Committee Meetings (4 Meetings)</b>	<b>Corporate Governance &amp; Nominating Committee (1 Meeting)</b>
Warren Gilman	11 of 11 100%	-	1 of 1 100%	-	-
Alex Granger	11 of 11 100%	-	1 of 1 100%	3 of 4 100%	-
Michael Cowin	11 of 11 100%	11 of 11 100%	1 of 1 100%	4 of 4 100%	1 of 1 100%
Donald Roberts	11 of 11 100%	11 of 11 100%	1 of 1 100%	4 of 4 100%	1 of 1 100%
Peter Chau	11 of 11 100%	11 of 11 100%	-	-	-
<b>Overall Attendance Rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>92%</b>	<b>100%</b>

### ***Board Mandate***

The Board has adopted a written mandate, that summarizes, among other things, the Board's duties and responsibilities. The Board is responsible for the overall stewardship of the Company and dealing with issues which are pivotal to determining the Company's strategy and direction. The Board meets to consider and approve the strategic objectives of the Company and management plans designed to accomplish those objectives. The Board also meets as necessary to consider specific developments and opportunities as they arise, including investments and dispositions and financing proposals. The Board approves, among other things, all issuances of securities of the Company, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession and risk management.

The primary responsibilities of the Board are to:

- develop, monitor and, where appropriate, modify the Company's Investment Policy;
- review and, where appropriate, approve the financial and business goals and objectives, major corporate actions and internal controls of the Company;
- regularly monitor the effectiveness of management policies and decisions;
- evaluate and, with input from the CCGN Committee, select and set the compensation level of the CEO;

- identify and assess major risks facing the Company and review options for their mitigation;
- ensure that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations;
- review, with input from the Audit Committee, the financial performance and financial reporting of the Company and assess the scope, implementation and integrity of the Company's internal control systems;
- appoint the officers of the Company (giving equal consideration to women), ensuring that they are of the calibre required for their roles and planning for their succession as appropriate from time to time; and
- establish and oversee committees of the Board as appropriate, approve their mandates and approve any compensation of their members as both members of the committees and as Board members.

The Board, through the Investment Committee, discharges its responsibility to implement the Investment Policy of the Company.

The Board, through the Audit Committee, requires management of the Company to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Shareholders and the public. The Company's management is responsible for the issuance of press releases and communications with the financial community. The Board, or the Audit Committee, reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, annual information forms, prospectuses and information circulars.

The CCGN Committee is responsible for monitoring the governance systems of the Company with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The CCGN Committee also acts as a nominating committee for new directors, oversees and approves the Company's Board compensation plans and evaluates the overall Board effectiveness.

### ***Position Descriptions***

The Board has developed written position descriptions for the Chair of the Board, the CEO and CFO, but has not developed written position descriptions for President or Chair of the Investment Committee, Audit Committee or CCGN Committee.

The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Company's annual objectives which become the objectives against which the CEO's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

### ***Orientation and Continuing Education***

While the Company does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Company's corporate governance policies, which provides information respecting the

- functioning of the Board;
- (b) access to recent, publicly filed documents of the Company; access to management; and
- (c) access to legal counsel in the event of any questions relating to the Company's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Company, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry. Each director is responsible for keeping informed of Company affairs, and directors are informed not less than quarterly regarding corporate developments in the process of approving financial statements and other continuous disclosure documents.

### ***Ethical Business Conduct***

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at Board level.

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**"), which has been filed on SEDAR+ and is available on our website <https://queensrdcapital.com/investors/corporate-governance/> which outlines principles to which the Company's directors, officers, employees and consultants are expected to adhere in the conduct of the Company's business. The Company seeks to conduct its business in compliance with applicable laws, rules and regulations including, without limitation, with respect to insider trading, the environment, discrimination and harassment, and health and safety. The Company expects its employees, officers and directors to exercise reasonable judgment and act with honesty, integrity and avoid conflicts of interest when conducting the Company's business.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of the Code.

The CCGN Committee, with oversight from the Board, administers the Code and monitors the ethical conduct of the Company to ensure compliance with the Code and applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The CCGN Committee is responsible for assisting the Board in dealing with conflict of interest issues as contemplated by the Code, reviewing and updating the Code periodically, reviewing the system that management has established to enforce the Code and reviewing management's monitoring of our compliance with the Code.

The Company's Corporate Governance Guidelines provide that, when discussing potential transactions and agreements where a director has an interest, such director will be expected to disclose that interest to the Board, abstain from voting on the matter and, in most cases, leave the meeting while the remaining directors discuss and vote on such matter. If a director has any significant conflict of interest with the Company that cannot be resolved, the director will promptly resign.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect of same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Company and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of

a senior executive officer, to the Audit Committee and fully inform such person or committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Whistleblower Policy, wherein directors, officers, employees and contractors of the Company and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process.

### ***Nomination of Directors***

The Company adopted the Advance Notice Policy, which sets out the process for persons to become eligible for election as directors of the Company. A copy of the Advance Notice Policy can be obtained from the Company's website at: [www.queensrdcapital.com/investors/corporate-governance](http://www.queensrdcapital.com/investors/corporate-governance).

Pursuant to the Advance Notice Policy and subject to the *Companies Law* (Cayman Islands) (the "**Companies Law**"), only persons who are nominated: (i) by or at the direction of the Board; (ii) by one or more Shareholders in accordance with the provisions of the *Companies Law*; or (iii) by any Shareholder in accordance with the Advance Notice Policy, are eligible for election as directors of the Company.

The CCGN Committee is responsible for identifying and recruiting individuals qualified to become directors and making recommendations to the Board regarding new director nominees. In making such recommendations, the CCGN Committee considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, for each existing director to possess, the competencies and skills which each new nominee to the Board is expected to bring; and whether the proposed nominee to the Board will be able to devote sufficient time and resources to the Company.

The following is an outline of the Board's process for nomination of candidates for election to the Board:

- (a) based on the work undertaken by the CCGN Committee with careful consideration to the existence of any potential conflicts of interest, the mix of qualifications, skills, performance, and experience represented on the Board, the CCGN Committee will, if it deems necessary, recommend to the Board the need to change or add Board members together with a recommendation of the required characteristics of any new candidates;
- (b) upon Board approval of the need to change or add Board members and the preferred characteristics of the candidates, the CCGN Committee shall coordinate the search for qualified candidates with input from management and other Board members;
- (c) selected members of management and the Board will interview prospective candidates; and
- (d) the CCGN Committee will recommend a nominee and seek full Board endorsement of the selected candidate, based on its judgment as to which candidate will best serve the interests of the Shareholders. The CCGN Committee considers any candidates submitted by Shareholders on the same basis as any other candidate.

The CCGN Committee may also recommend for approval by the Board the removal of a director from the Board or a committee thereof if he or she is no longer qualified or able to serve as a director or for any other appropriate reason.

### ***Compensation***

The CCGN Committee is responsible for reviewing and recommending to the Board all compensation arrangements for the directors and officers of the Company, including stock option grants, on an annual basis.

Directors are entitled to receive reasonable directors' fees and other compensation for their services as directors and committee members as may be determined from time to time by the Board, with input from the CCGN Committee, as well as reimbursement of expenses incurred on Company business or in attending Board or committee meetings.

In addition to directors' fees, directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the CCGN Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for Shareholders to understand.

The compensation of the CEO, President and CFO are currently reviewed and recommended by the Company's CCGN Committee, and approved by the Board, on an annual basis. The Company has established certain specific performance milestones and goals to which an element of total compensation to be paid to the CEO, President and CFO is dependent. Performance is reviewed in light of the Company's objectives from time to time and such compensation is also compared to that of CEOs, Presidents and CFOs of companies of similar size and stage of development in the same industry. In evaluating the CEO, President and CFO the CCGN Committee considers criteria including performance of the business, accomplishment of long-term strategic objectives, the handling of extraordinary events and development of management. These criteria ensure that the CEO's, President's and CFO's interests are aligned with the long-term interests of the Company and its Shareholders. The foregoing considerations apply to all forms of compensation paid to the Company's officers, including stock option grants. Previous grants are taken into account when considering new grants.

### **CCGN Committee**

The main objective of the CCGN Committee is to discharge the responsibilities of the Board relating to the compensation and benefits of our executive officers and directors. In doing so, the CCGN Committee ensures that we have an executive compensation plan that is motivational and competitive and that will attract and inspire the performance of our executive officers of a caliber that will ensure and enhance our sustainability, profitability and growth. The current members of the CCGN Committee are Michael Cowin and Donald Roberts. Messrs. Cowin and Roberts are each independent directors within the meaning of NI 52-110.

The CCGN Committee is responsible for, amongst other things:

- (a) reviewing and approving on an annual basis the corporate objectives relevant to our NEOs compensation, evaluating the performance of the CEO and executive officers in light of those goals and objectives and set, or recommend to the Board, the compensation level for the CEO and executive officers based on this evaluation. In determining the long-term incentive component of CEO and executive compensation, the CCGN Committee will consider, along with such other factors as it may deem relevant, the Company's performance, Shareholder returns, the value of similar

incentive awards to executive officers at comparable companies and the awards given to the executive officers in past years;

- (b) reviewing and approving on an annual basis the adequacy and form of compensation and benefits of the directors, and make recommendations to the Board in that regard;
- (c) making recommendations to the Board with respect to our stock option plan and any other incentive compensation plans and equity-based plans, including recommendations as to grants pursuant to such plans and the adoption or amendment of such plans;
- (d) determining the recipients of, and the nature and size of, share compensation awards and bonuses granted from time to time, in compliance with applicable securities law, stock exchange and other regulatory requirements; and
- (e) reviewing all executive compensation disclosure before the Company publicly discloses this information.

The CCGN Committee has the authority to retain outside advisors to assist in the evaluation of compensation of senior management and directors and to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained.

The CCGN Committee is also responsible for, amongst other things:

- (a) developing and recommending to the Board corporate governance policies and procedures for the Company, reviewing and assessing the adequacy of the Company's corporate governance policies and procedures annually, and making recommendations to the Board with respect to any changes deemed appropriate;
- (b) reviewing the practices and procedures of the Board in light of ongoing developments in securities law, stock exchange and regulatory requirements and industry best practices relating to corporate governance;
- (c) examining the size and composition of the Board and its committees and recommend adjustments from time to time to comply with regulatory, corporate governance and disclosure requirements;
- (d) identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing those competencies and characteristics, seek and identify individuals qualified to become members of the Board and recommending such nominees to the Board for appointment or election, and make recommendations with respect to membership on committees of the Board.

All members need to have a working familiarity with corporate governance practices and the CCGN Committee may form and delegate authority to a sub-committee when appropriate.

Further details regarding the process for determining compensation are set out in the Company's Corporate Governance Guidelines and Compensation, Corporate Governance and Nomination Committee Charter, copies of which can be obtained from the Company's website at: [www.queensrdcapital.com/investors/corporate-governance](http://www.queensrdcapital.com/investors/corporate-governance).

## **Assessments**

The CCGN Committee, in conjunction with the Chair of the Board, is responsible for ensuring that an appropriate system is in place for the evaluation of the performance of the Board, each of its committees and each individual director; and to report to the Board on the results of such evaluation.

The Board, with input from the CCGN Committee, conducts an annual self-evaluation to assess the overall effectiveness of (i) the Board as a whole, (ii) individual directors (including the Chair, and any Lead Director, if appointed) and (iii) each of the committees from a corporate governance perspective and with respect to compliance with the relevant mandate, charter, terms of reference or position description as applicable. Such evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

## **Director Term Limits and Other Mechanisms of Board Renewal**

The Company has not adopted formal term limits or a formal retirement policy for its directors. The By-laws of the Company provide that all directors in office shall retire at the next annual general meeting of the Shareholders and if qualified, shall be eligible for re-election. Accordingly, the Company has determined that term limits or mandatory retirement based on age is not necessary. The Company feels that the imposition of such limits could be counter productive as it has been the Company's experience that its directors become increasingly more effective, and better able to provide fresh insights and perspectives and to function independently from management, as they gain experience and a deeper understanding of the Company's business and its strategic and operational objectives.

Succession planning in respect of Board members and Board renewal is facilitated through the annual assessments of the Board, its committees, committee chairs and individual directors in which Board members evaluate each other and the Board as a whole in order to determine whether there are areas where the Board requires improvement.

## **Policies Regarding the Representation of Women on the Board**

The Company does not have a written policy or set targets relating to the identification and nomination of women on the Board. The Board may consider the adoption of such a policy in the future if it deems it to be in the best interests of the Company. The Board is committed to nominating the best candidates to fulfill director roles and executive officer positions taking into account diversity and personal characteristics such as age, gender, race, cultural and educational background to ensure the Board and executive officers have the proper skills, expertise and diversity of perspectives.

At this time, the Board has determined that it is not necessary of the Company to have such written policies given the current size of the Board, the relatively static composition of the Board over recent years and that the nominating function is currently performed by the Board as a whole.

## **Consideration of the Representation of Women in Director Identification and Selection**

The Board is relatively static, with few new directors being nominated by the Board on an annual basis. However, when the Board does identify and nominate new directors, it aims to maintain a composition which provides the best mix of perspectives, experience and expertise to lead the Company's long-term strategy and monitor ongoing business operations. When identifying and nominating new members, the Board will do so with a view to its overall diversity, including level of representation of women on the Board in tandem with other considerations, including a candidate's experience, skills, independence, and the time a proposed nominee is able to devote to the Board.

## **Consideration of the Representation of Women in Executive Officer Appointments**

In making new executive officer appointments, the Board considers the overall diversity of the Company's executive team, including the level of women in executive positions, in tandem with other considerations, including candidates' experience, skills, independence, and the time a proposed nominee is able to devote to the appointment. Currently, one executive officer is a woman, or 33% of the total number of executive officers of the Company in 2023.

### ***Targets regarding the Representation of Women on the Board and in Executive Officer Positions***

The Company has not adopted a target regarding women on the Board or in executive officer positions. Selection of Board members and executive officers is based on the factors enumerated in the preceding subsections.

### ***Number of Women on the Board and in Executive Officer Positions***

The Company currently does not have any woman on the Board. One executive officer (or 33% of the total number of executive officers of the Company in 2023) are women.

## **AUDIT COMMITTEE**

### **Audit Committee**

The Board has established the Audit Committee to provide assistance to the Board in fulfilling its legal fiduciary obligations with respect to matters involving accounting, auditing, financial reporting, internal control and legal compliance functions of the Company. It is the objective of the Audit Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Company. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

NI 52-110 requires all members of the Audit Committee to be independent. A member of an audit committee is independent if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment. The members of the Audit Committee are Messrs. Roberts, Cowin and Granger. Mr. Roberts and Mr. Cowin are independent members of the Audit Committee for the purposes of NI 52-110. Mr. Granger, the Company's President, is not independent. The Board is working to identify a qualified candidate to join the Board as an independent director and Audit Committee member, and Mr. Granger will resign and be replaced by this person on the Audit Committee when this happens.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All members of the Company's Audit Committee are considered to be financially literate as that term is defined in NI 52-110 based on their qualifications and experience.

NI 52-110 requires our Audit Committee to meet certain requirements as well as requires us to disclose certain information regarding the Audit Committee. The required information has been disclosed in our Annual Information Form for the fiscal year ended August 31, 2023 dated November 20, 2023 (our "AIF") under the headings "Audit Committee Information" and "Audit Committee Charter" (see "Additional Information" at the end of this Circular). Our AIF is filed on SEDAR+ and is available on our website.

## **ADDITIONAL INFORMATION**

Additional information can be found on the SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com).

Financial information is provided in our comparative financial statements and MD&A for our most recently completed financial year, copies of which have been mailed to those Shareholders who requested them, and which are filed and available on SEDAR+ or on our website at <https://queensrdcapital.com>.

Shareholders may request copies of our financial statements and MD&A by contacting Investor Relations at [info@queensrdcapital.com](mailto:info@queensrdcapital.com)

## SCHEDULE "A" AUDIT CHARTER

### 1. Purpose

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Queen's Road Capital Investment Ltd. (the "**Company**"), the primary function of which is to assist the Board in its oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, controls around releases containing financial information, financial reporting and statements and to recommend, for approval of the Board, or to approve, the audited financial statements and interim financial statements.

The primary objectives of the Committee are as follows:

- (a) to assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Company and related matters;
- (b) to oversee the work of the external auditors;
- (c) to provide better communication between directors and external auditors;
- (d) to enhance the external auditors' independence;
- (e) to increase the credibility and objectivity of financial reports; and
- (f) to strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and the external auditors.

### 2. Responsibility of Management and External Auditors

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The external auditors' responsibility is to audit the Company's financial statements and provide their opinion, based on their audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

### 3. Membership and Organization

- (a) **Composition:** The Committee shall be comprised of not less than three members of the Board.
- (b) **Independence:** The Committee shall be composed entirely of "independent" directors, as such term is defined in National Instrument 52-110 ("**NI 52-110**") and any applicable stock exchange rules, each as may be amended or replaced from time to time.
- (c) **Appointment and Removal of Committee Members:** Each member of the Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board or until the earlier of: (i) the close of the next annual meeting of the Shareholders of the

Company at which the member's term of office expires; (ii) the death of the member; or (iii) the resignation, disqualification or removal of the member from the Committee or from the Board. The Board may fill any vacancy in the membership of the Committee.

- (d) **Financial Literacy:** All of the members of the Committee shall be "financially literate" within the meaning used in NI 52-110 or a member who is not financially literate must become so within a reasonable period of time following his or her appointment.
- (e) **Chair:** At the time of the annual appointment of the members of the Committee, the Board shall appoint a chair of the Audit Committee (the "**Chair**") from among the members of the Committee. The Chair shall preside over all Committee meetings, coordinate the Committee's compliance with this Charter, work with management to develop the Committee's annual work plan and provide reports of the Committee to the Board. The Chair may vote on any matter requiring a vote. In the case of an equality of votes, the Chair shall be entitled to a second or casting vote. The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Committee or as requested by the Board, on matters arising at Committee meetings and, where applicable, shall present the Committee's recommendation to the Board for its approval.
- (f) **Meeting Procedures:** A majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of the majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

#### 4. **Functions and Responsibilities**

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by its governing corporate statute, any requirements of stock exchanges on which the securities of the Company are listed, and all other applicable laws.

- (a) **Oversee External Auditors:** The Committee shall oversee the work of the external auditors, including reviewing any significant disagreements between management and the external auditors in connection with the preparation of financial statements.
- (b) **Internal Controls:** The Committee shall monitor the system of internal control. The Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall consider and review with management and the external auditors:
  - (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
  - (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
  - (iii) any material issues raised by any inquiry or investigation by the Company's regulators; and
  - (iv) any related significant issues and recommendations of the external auditors

together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

- (c) **Review Financial Statements:** The Committee shall review the annual and interim financial statements of the Company and related management's discussion and analysis ("**MD&A**") prior to their approval. The process should include but not be limited to:
- (i) reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
  - (ii) reviewing significant accruals, reserves or other estimates;
  - (iii) reviewing any "related party" transactions, with related party having the meaning ascribed to it by Canadian securities regulations;
  - (iv) reviewing accounting treatment of unusual or non-recurring transactions;
  - (v) ascertaining compliance with covenants under loan agreements;
  - (vi) reviewing disclosure requirements for commitments and contingencies;
  - (vii) reviewing unresolved differences between management and the external auditors;
  - (viii) obtain explanations of significant variances with comparative reporting periods; and
  - (ix) reviewing any legal matters which could significantly impact the financial statements as reported on by the legal counsel and meet with outside counsel whenever deemed appropriate.
- (d) **Public Disclosure:** The Committee shall review the financial statements, MD&A, annual information forms, management information circulars and any prospectuses as well as all public disclosure containing audited or unaudited financial information before release and prior to Board approval.
- (e) **Interim Financial Statements:** The Committee shall review the interim financial statements and disclosures and obtain explanations from management as required. After completing its review of the interim financial statements, if advisable, the Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not so authorized by the Board, then approve and recommend them for approval by the Board.
- (f) **Hiring Policies:** The Committee shall review and approve the Company's hiring policies regarding the hiring of partners, employers and former partners and employees of the present and former external auditors of the Company.
- (g) **Appointment of External Auditors:** With respect to the appointment of external auditors by the Board, the Committee shall:
- (i) recommend to the Board the appointment of the external auditors for approval by the Shareholders at the Company's annual meeting of Shareholders;
  - (ii) recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external

auditors shall report directly to the Committee;

- (iii) on an annual basis, obtain from the external auditors a formal written statement delineating all relationships between the auditor and the Company, consistent with Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees). Review and discuss with the external auditors all significant relationships such auditors have with the Company to determine the auditors' independence;
  - (iv) review the performance of the external auditors;
  - (v) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
  - (vi) review and approve in advance any non-audit services to be provided to the Company or its subsidiaries by the external auditors and consider the impact on the independence of such auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Committee may delegate to one or more members the authority to approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time.
- (h) **Evaluation and Rotation of Lead Partner:** At least annually, the Committee shall review the qualifications and performance of the lead partners of the external auditors. The Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- (i) **Review with External Auditors:** Review with external auditors (and internal auditor if one is appointed by the Company) their assessment of the internal controls of the Company, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Company and its subsidiaries.
- (j) **Risk Policies and Procedures:** The Committee shall review risk management policies and procedures of the Company (e.g. hedging, litigation and insurance), regarding current areas of great financial risk and whether management is managing these effectively.
- (k) **Treatment of Complaints/Submissions:** The Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Company from employees or others, regarding accounting, internal accounting controls, or auditing matters. The procedures will provide for the confidential, anonymous submission by the Company employees of concerns regarding questionable accounting or auditing matters.
- (l) **Investigations:** The Committee shall have the authority to investigate any financial activity of the Company. All employees of the Company are to cooperate as requested by the Committee.
- (m) **Retain Experts:** The Committee may retain independent counsel, persons having special expertise and/or obtain independent professional advice to assist in filling their

responsibilities at the expense of the Company without any further approval of the Board. The Committee has the authority to set, and have the Company, pay the compensation for any such persons engaged by the Committee.

- (n) **Advising Board:** The Committee shall ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- (o) **Updates to Charter:** The Committee shall annually review and recommend to the Board any updates to this Charter. All changes to this Charter shall be approved by the Board.
- (p) **Legal Compliance:** The Committee shall confirm that the Company's management has the proper review system in place to ensure that the Company's financial statements, reports, press releases and other financial information satisfy legal requirements. The Committee will review with the Company's legal counsel any legal matter that the Committee understands could have a significant impact on the Company's financial statements.
- (q) **Fraud Prevention and Detection:** The Committee shall have the authority to oversee and assess management's controls and processes to prevent and detect fraud; receiving periodic reports on findings of fraud as well as significant findings regarding the design and/or operation of internal controls and management processes.

## 5. Limitation of Responsibility

While the Audit Committee has the responsibilities and powers provided by this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with IFRS. This is the responsibility of management (with respect to whom the Audit Committee performs an oversight function) and the external auditors.

## 6. Adoption of the Audit Committee Charter

This Charter was last reviewed, revised, adopted and approved by the Board of Directors of the Company on September 6, 2022.