



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**for the**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**of**

**QUEEN'S ROAD CAPITAL INVESTMENT LTD.**

**TO BE HELD ON**

**NOVEMBER 5, 2020**

**All information in this Information Circular is presented as of September 30, 2020 unless otherwise stated herein.**

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

The 2020 Annual General and Special Meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Queen's Road Capital Investment Ltd. (the "**Company**" or "**QRC**") will be held at Cheung Kong Centre, Suite 2006, 2 Queen's Road Central, Hong Kong at 9:00 a.m. (Hong Kong time) on November 5, 2020 for the following purposes:

1. to receive the audited consolidated financial statements of the Company for its financial year ended August 31, 2019, the report of the auditor thereon, and the related management's discussion & analysis;
2. to fix the number of directors on the board of directors of the Company (the "**Board**") at seven (7);
3. to elect directors to the Board for the ensuing year;
4. to re-appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditor for the ensuing year and to authorize the Board to fix the auditor's remuneration;
5. to consider and, if deemed appropriate, pass, with or without variation, an ordinary resolution approving and ratifying the Company's stock option plan for the ensuing year;
6. to consider and, if deemed appropriate, pass an ordinary resolution approving the consolidation of the Company's issued and outstanding common shares on a basis of ten (10) pre-consolidation shares being consolidated into one (1) post-consolidation share, conditional upon the Board's final approval to proceed (the "**Share Consolidation Resolution**");
7. subject to the approval of the Share Consolidation Resolution, to consider and if deemed appropriate, pass a special resolution to file an amended and restated Memorandum and Articles of Association to reflect the consolidation approved by the Share Consolidation Resolution; and
8. to consider any amendment to or variation of any matter identified in this notice of Meeting ("**Notice**") and to transact such other business as may properly be brought before the Meeting.

The Board has fixed 4:00 p.m. (Hong Kong time) on September 29, 2020 as the record date for the Meeting. Only Shareholders of record at 4:00 p.m. (Hong Kong time) on the record date are entitled to receive notice of and to vote at the Meeting. Registered Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out therein and in the information circular accompanying this Notice of Meeting. To be valid, completed proxy forms must be dated, completed, signed and deposited with our transfer agent, Computershare Investor Services Inc.: (i) by hand delivery or mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Depart., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or (ii) by facsimile to 1-416-263-9524 or 1-866-249-7775. Additionally, you may vote by using the internet at [www.investorvote.com](http://www.investorvote.com) or by calling 1-866-732-VOTE (8683). Your proxy instructions must be received in each case not fewer than 48 hours before the time fixed for the Meeting. The Chair of the Meeting has the discretion to accept proxies received after that time. If you have questions, you may contact the Company's Corporate Secretary by email at [spaine@kingandbay.com](mailto:spaine@kingandbay.com).

**DATED** at Hong Kong this 30<sup>th</sup> day of September, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

*"Warren Gilman"*

Warren Gilman  
Chairman of the Board

## QUEEN'S ROAD CAPITAL INVESTMENT LTD.

### MANAGEMENT INFORMATION CIRCULAR

#### ***Solicitation of Proxies***

This Information Circular (this "**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 and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") to be held on November 5, 2020, 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* ("**NI 51-102**") of the Canadian Securities Administrators (the "**CSA**"), 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 Proxy Holder***

Holders of common shares in the capital of the Company (each, a "**Common Share**") registered in their own names are described in this Circular as "**Registered Shareholders**". Only Registered Shareholders of the Company or their duly appointed proxy holders are entitled to vote at the Meeting. Voting instructions for non-registered Shareholders are set forth below under "*Advice to Beneficial Holders of Common Shares*".

The purpose of a proxy is to permit a Registered Shareholder to designate one or more persons as proxy holder(s) to vote on that Registered Shareholder's behalf in accordance with the instructions given by the Registered Shareholder in the proxy. The persons designated as proxy holders in the form of proxy accompanying this Circular (the "**Proxy**"), each of whom is a director or officer of the Company, have been selected by management.

**Each Registered Shareholder has the right to appoint a person, who need not be a Shareholder, to attend and act for and on behalf of such Shareholder at the Meeting other than the person(s) designated by management in the Proxy accompanying this Circular. A Registered Shareholder desiring to appoint some other person as proxy holder may do so by striking out the printed names and inserting the name of the desired person in the space provided in the Proxy, or by executing and delivering another acceptable form of proxy similar to the Proxy.**

If no choice of proxy holder is made in such manner by the Registered Shareholder, then the person first named as proxy holder in the Proxy will exercise the Proxy with automatic substitution of the succeeding named proxy holder if such first named proxy holder does not attend the Meeting.

***Deposit of Proxy***

Registered Shareholders desiring to vote by Proxy may do so by:

1. depositing a signed and dated Proxy with Computershare Investor Services Inc., ("**Computershare**"), at Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1;
2. faxing a signed and dated Proxy to Computershare from within North America to 1-866-249-7775 or from outside North America to 1-416-263-9524; or
3. using any other method described in the Proxy, such as voting by telephone or internet voting, by following the instructions for such method set out in the Proxy, in which case the Registered Shareholder will need the control number set out in the Proxy.

In all cases, to be valid, a Proxy (or other acceptable form of proxy vote) must be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting unless the Chair of the Meeting exercises their discretion to accept Proxies received after that time.

***Revocation of Proxy***

A Registered Shareholder which has submitted a Proxy may revoke it either by signing a Proxy bearing a later date and depositing it at the place and within the time aforesaid or by signing and dating a written notice of revocation (in the same manner as the Proxy is required to be executed as set out in the notes to the Proxy) and either depositing the same at the place and within the time aforesaid or with the Chair of the Meeting on the day of the Meeting, or on the day of any adjournment thereof, or registering with the scrutineer at the Meeting as a Registered Shareholder present in person, or in any other manner provided by law, whereupon such Proxy shall be deemed to have been revoked. Revocation of a Proxy will not affect any matter on which a vote has been taken before the revocation.

***Voting by Proxy***

If the instructions of a Registered Shareholder are certain, the Common Shares represented by any Proxy given by that Registered Shareholder will be voted or withheld from voting on any ballot that may be called for, and where the Registered Shareholder specifies a choice with respect to any matter to be acted on, the Common Shares will be voted or withheld from voting on any ballot that may be called for in accordance with the specified choice. **Where no choice is specified, the Proxy confers discretionary authority on the Registered Shareholder's appointed proxy holder. If a Registered Shareholder has not appointed his or her own proxy holder, such shares will be voted by management's designates in favour of the matters described in the Proxy and, if applicable, for the nominees of management and auditors as identified in the Proxy.**

***Exercise of Discretion by Proxy Holder***

The Proxy gives each Registered Shareholder the ability to confer discretionary authority upon the proxy holder with respect to amendments or variations to matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. At the time of printing this Circular, management of the Company knows of no such amendments, variations or other matters which are anticipated to be presented for consideration or action at the Meeting.

***Advice to Beneficial Holders of Common Shares***

**The information set forth in this section is of significant importance to any beneficial owner of Common Shares who does not hold title to such Common Shares in his, her or its own name. Beneficial owners of Common Shares who do not have such shares registered in their own name**

(referred to in this Circular as "**Non-registered Owners**") should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

Most beneficial owners of Common Shares are Non-registered Owners. If your Common Shares are listed in an account statement provided to you by an "intermediary" (a term used to refer to, among others, brokerage firms, banks, trust companies and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), then, in almost all cases, those Common Shares will not be registered in your name on the records of the Company. Such Common Shares will more likely be registered under the name of the Non-registered Owner's intermediary or an agent of that intermediary. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the nominee of The Canadian Depository for Securities, which acts as depository for many Canadian brokerage firms and other intermediaries. In the United States, the vast majority of such shares are registered under the name of Cede & Co., the nominee of Depository Trust Company, which acts as depository for many United States brokers and other intermediaries. Such intermediaries and depositories are collectively referred to in this Circular as "**Intermediaries**". The Intermediary with which a Non-registered Owner has a direct relationship, such as the brokerage firm with which the Non-registered Owner has deposited their Common Shares, is known as the "Proximate Intermediary" of that Non-registered Owner.

Pursuant to National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the CSA, all Intermediaries are required to seek voting instructions from Non-registered Owners in advance of each shareholder meeting. **Non-registered Owners should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.** That person is generally the Proximate Intermediary of that Non-registered Owner.

The Notice of Meeting, this Circular and other security-holder materials respecting the Meeting, including a Proxy or Voting Instruction Form (a "**VIF**", and collectively, "**Meeting Materials**") are being sent directly to Registered Shareholders. As noted above under "*Appointment of Proxy Holder*", Meeting Materials sent to Registered Shareholders include a Proxy. All references to "Shareholders" in the Meeting Materials are to Registered Shareholders unless specifically stated otherwise.

There are two kinds of Non-registered Owners recognized by NI 54-101. Non-registered Owners who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners ("**NOBOs**"). Those Non-registered Owners who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners ("**OBOs**").

In accordance with NI 54-101, the Company has elected to send the Meeting Materials, including a VIF, directly to NOBOs. QRC may retain the services of Computershare or another agent to handle the mailing of Meeting Materials to NOBOs and the tabulation of votes received from NOBOs. Pursuant to NI 54-101, the Company advises as follows:

*These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has 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 on your behalf.*

*By choosing to send these materials to you directly, the issuer (and not the intermediary holding 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 the request for voting instructions.*

Meeting Materials will not be sent to OBOs directly by the Company, and the Company does not intend to pay for Intermediaries to forward the Meeting Materials and a Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs under NI 54-101. Accordingly, OBOs will not receive the Meeting Materials unless the OBO's Intermediary assumes the cost of delivery.

### ***Voting Instruction Form***

The purpose of the procedure established by NI 54-101 is to permit Non-registered Owners to direct the voting of the Common Shares which they beneficially own. Meeting Materials sent to Non-registered Owners who have not waived the right to receive Meeting Materials, regardless of whether they are NOBOs or OBOs, do not include a Proxy. Instead, pursuant to NI 54-101, they include a VIF. The content of a VIF is almost identical to the content of a Proxy. A VIF differs from the Proxy insofar as its purpose is limited to instructing the Registered Shareholder (i.e., the Intermediary) how to vote on behalf of the Non-registered Owner. By returning a VIF in accordance with the instructions noted on it, a Non-registered Owner is able to instruct its Intermediary how to vote on behalf of the Non-registered Owner. **Non-registered Owners should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

A Non-registered Owner who wishes to attend the Meeting and vote in person may write the name of the Non-registered Owner in the place provided for that purpose on the VIF. A Non-registered Owner can also write the name of someone else whom the Non-registered Owner wishes to attend the Meeting and vote on behalf of the Non-registered Owner. Unless prohibited by law, the person whose name is written in the space provided in the VIF will be appointed as proxy holder for the Non-registered Owner pursuant to section 2.18 or section 4.5 of NI 54-101 and, as such, will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the VIF or this Circular. A Non-registered Owner should consult a legal advisor if the Non-registered Owner wishes to modify the authority of the person to be appointed as proxy holder in any way.

The majority of Intermediaries now delegate responsibility for obtaining voting instructions from Non-registered Owners, to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the VIFs, mails those VIFs to the Non-registered Owners and requests Non-registered Owners to return the VIFs to Broadridge. 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. **A Non-registered Owner receiving a VIF with a Broadridge sticker on it cannot use that VIF to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted at the Meeting.**

### **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 CAD\$0.001, of which 277,252,651 Common Shares were issued and outstanding on September 29, 2020, 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 Members present in person or by proxy or, if a corporation, by its authorised representative throughout the meeting, provided that if the Company shall at any time have only one Member, one Member present in person or by proxy shall form a quorum for the transaction of business at any general meeting held during such time.

To the best of the knowledge and belief of the directors and executive officers of the Company, as at the Record Date, only the following persons beneficially owned, directly or indirectly, or exercised control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of QRC:

<u>Name</u>	<u>Number of Common Shares</u>	<u>Percentage of Outstanding Common Shares</u>
Corom Pty Ltd.	71,263,003	25.7
Squadron Resources Pty Ltd.	71,263,003	25.7
BBRC International Pte Ltd.	37,626,866	13.6

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

No person who has been a director or executive officer of the Company at any time since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of an auditor, except as may be disclosed herein under the heading "*Particulars of Matters to be Acted Upon*".

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

For the purposes of this Circular, as defined in NI 51-102, "**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 attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Except as disclosed elsewhere herein, no informed person of the Company, nor any proposed director of the Company, nor any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year, or has any material interest, direct or indirect, in any proposed transaction which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

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

Except as disclosed elsewhere herein, no director, proposed director, executive officer, employee or former executive officer, director or employee of the Company or any of its subsidiaries, or any associate of any director, proposed director or executive officer has been indebted to the Company or any subsidiary of the Company at any time since the beginning of the last completed financial year of the Company or as at the date hereof, other than for routine indebtedness.

## STATEMENT OF EXECUTIVE COMPENSATION

The statement of executive compensation on Form 51-102F6V – *Statement of Executive Compensation (Venture Issuers)* filed by the Company for the financial year ended August 31, 2019 is attached to this Circular as Schedule A.

### MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are, to any substantial degree, performed by anyone other than the directors or executive officers of the Company or its subsidiaries.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has in place a stock option plan (the "**Option Plan**") which was most recently approved by the Shareholders on August 6, 2019. The Company has no other incentive plans.

The Option Plan is a so-called "10% rolling stock option plan". The TSX Venture Exchange (the "**TSXV**") requires all listed companies having 10% rolling stock option plans to obtain shareholder approval of such plans annually. Accordingly, the Company will seek Shareholder approval of the Option Plan at the Meeting. The Option Plan and the requirements for approval are more particularly described below under the heading "*Particulars of Matters to be Acted On – Stock Option Plan*".

The following table sets out the information about the Company's equity compensation plan required to be disclosed by Form 52-102F5 – *Information Circular*.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at August 31, 2020  (a)	Weighted-average exercise price of outstanding options, warrants and rights as at August 31, 2020  (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))  (c)
Equity compensation plans approved by security holders <sup>(1)</sup>	25,500,000	\$0.44	2,225,265
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	25,500,000	N/A	2,225,265

Notes:

- (1) The Option Plan permits the grant of stock options exercisable to purchase that number of Common Shares which is equal, in the aggregate, to a maximum of 10% of the number of Common Shares outstanding at the time of grant. No warrants or rights are issuable under the Option Plan and the Company has no other incentive plan.

### CORPORATE GOVERNANCE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices ("NI 58-101")* requires that, whenever management of a venture issuer solicits a proxy from a security holder for the purpose of electing directors to that issuer's board of directors, that issuer must include in its information circular for the meeting at which directors are proposed to be elected the disclosure in respect of its corporate governance practices required by Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*. The Company is a venture issuer and, accordingly, provides the following prescribed disclosure, having regard to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201 –



*Corporate Governance Guidelines.* The Guidelines are not prescriptive but have been considered by the Company in adopting its corporate governance policies and practices.

The Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 58-101. The TSXV requires that each listed issuer have at least two independent directors. Under NI 58-101, which refers in turn to National Instrument – *Audit Committees* ("**NI 52-110**"), a director is considered independent if he or she has no direct or indirect "material relationship" with the Company (other than shareholdings) which could, in the view of the Board, reasonably interfere with the exercise of that director's independent judgment.

Of the proposed nominees, Michael Cowin, Donald Roberts, Peter Chau and Chris Hansen are "independent" within the meaning of NI 52-110. Warren Gilman and Alex Granger are not independent because they serve respectively as the CEO and President of the Company. John F. Anderson is not independent because he is a partner of a firm that provides legal services to the Company.

### **Board of Directors**

The Board currently consists of five members, two of whom are independent. Warren 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 with input from its committees having a majority of independent directors.

On May 7, 2020, the Board adopted Corporate Governance Guidelines for the Company which outline the Board's responsibilities and provide the framework for governance of the Company. A copy of the Company's Corporate Governance Guidelines 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 Corporate Governance Guidelines, in fulfilling its responsibilities, the Board is responsible for, among other things:

- (a) developing, monitoring and, where appropriate, modifying the Company's strategic plan;
- (b) reviewing and, where appropriate, approving the financial and business goals and objectives, major corporate actions and internal controls of the Company;
- (c) regularly monitoring the effectiveness of management policies and decisions;
- (d) evaluating and, with input from the Company's compensation, corporate governance and nomination committee (the "**CCGN Committee**"), selecting and setting the compensation level of the CEO;
- (e) identifying and assessing major risks facing the Company and reviewing options for their mitigation;
- (f) ensuring that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations;
- (g) reviewing, with input from the Company's audit committee (the "**Audit Committee**"), the financial performance and financial reporting of the Company and assessing the scope, implementation and integrity of the Company's internal control systems;
- (h) appointing 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

- (i) establishing and overseeing committees of the Board as appropriate, approving their mandates and approving any compensation of their members as both members of the committees and as Board members.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board, with input from the Audit Committee, periodically discusses the systems of internal control with the Company's external auditor.

### ***Directorships***

The following table sets forth the proposed nominee directors of the Company who currently serve as directors of other reporting issuers:

<u>Director</u>	<u>Other Reporting Issuers</u>
Warren Gilman	NexGen Energy Ltd. (TSX; NYSE: NXE) Charaat Gold Holdings Ltd. (LSE: CGH) Aurania Resources Ltd. (TSXV: ARU)
Michael Cowin	Rockmaster Resources Corp. (TSXV: RKR) Walcott Resources Ltd. (CSE: WAL)
Donald Roberts	HK Electric Investments Ltd. (HKSE: 2638.HK) CK Asset Holdings Ltd. (HKSE: 1113.HK) CK Life Sciences International (Holdings) Inc. (HKSE: 775.HK)

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.

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

The Chair of the Board is responsible for mentoring and counselling new members of the Board to assist them in becoming active and effective directors and ensuring that a process is in place to monitor legislation and best practices which relate to the responsibilities of the Board in order to periodically provide materials for all directors on subjects relevant to their duties as directors.

The orientation program for new directors consists of education regarding directors' responsibilities, the Company's strategic plans and policies, significant financial, accounting and risk management issues, compliance programs and recent and developing issues related to corporate governance and regulatory reporting. The Company also encourages senior management to participate in professional development programs and courses and supports management's commitment to training and developing employees.

The Board provides continuing education for directors periodically and on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors. 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***

On May 7, 2020, the Board adopted the Code of Business Conduct and Ethics (the "**Code**"), 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. A copy of the Code can be obtained from the Company's website at: [www.queensrdcapital.com/investors/corporate-governance](http://www.queensrdcapital.com/investors/corporate-governance).

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 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.

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

On May 7, 2020, 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.

Pursuant to the Advance Notice Policy, Shareholders can nominate individuals to become eligible for election to the Board (each, a "**Proposed Nominee**") by submitting a written notice, accompanied by a duly signed consent of the Proposed Nominee, to the Secretary of the Company (by delivery, facsimile or email) at the Company's principal office in Hong Kong within the following timelines:

- (a) in the case of an annual meeting, not later than the close of business on the 30<sup>th</sup> day and not earlier than the opening of business on the 65<sup>th</sup> day before the date of the annual meeting; provided, however, if the first public announcement of the date of the annual meeting is less than 50 days before the meeting date, not later than the close of business on the 10<sup>th</sup> day following the day on which the first public announcement of the date of such meeting is made; and
- (b) in the case of a special meeting of shareholders (which is not also an annual meeting) called for any purpose which includes electing directors, not later than the close of business on the 15<sup>th</sup> day following the day on which public announcement of the date of the special meeting is first made.

The written notice delivered to the Secretary must specify the information about the nominating Shareholder and Proposed Nominee as are required under the Advance Notice Policy. The Company may also require any Proposed Nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such Proposed Nominee to serve as an independent director of the Company or that could be material to a reasonable Shareholder's understanding of the independence, or lack thereof, of such Proposed Nominee.

### **Compensation**

The CCGN Committee is responsible for reviewing and recommending to the Board all compensation arrangements for the directors and CEO 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 CEO's compensation is currently reviewed and recommended by the Company's CCGN Committee, and approved by the Board, on an annual basis. The Company has not established any specific performance milestones or goals to which total compensation or any significant element of total compensation to be paid to the CEO is dependent. CEO performance is reviewed in light of the

Company's objectives from time to time and such compensation is also compared to that of CEOs of companies of similar size and stage of development in the same industry. In evaluating the CEO, 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 interests are aligned with the long-term interests of the Company and its Shareholders.

Further details regarding the process for determining director 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).

Additional discussion regarding director and CEO compensation is set out in the Company's statement of executive compensation for the financial year ended August 31, 2019 attached to this Circular as Schedule A.

### ***Other Board Committees***

At the present time, the only standing committees of the Board are the Audit Committee and the CCGN Committee.

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 CCGN Committee is composed of a minimum of three directors, the majority of whom shall be independent directors. The current members of the CCGN Committee are John F. Anderson, Michael Cowin and Donald Roberts. Messrs. Cowin and Roberts are each independent directors within the meaning of NI 52-110. Mr. Anderson is the current Chair of the CCGN Committee.

### ***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.

### **AUDIT COMMITTEE**

As a reporting issuer in all of the provinces and territories of Canada, the Company is required to have an audit committee. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its information circular the information required by Form 52-110F2 – *Disclosure by Venture Issuers*. The Company's Audit Committee Charter, adopted on May 7, 2020, is attached to this Circular as Schedule B. The following is a summary of matters relating to the Audit Committee.

#### ***Composition of the Audit Committee***

Donald Roberts, Alex Granger and Michael Cowin are the current members of the Audit Committee. Mr. Roberts is currently the Audit Committee's Chair.

NI 52-110 provides that a member of an audit committee is independent if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment. Donald Roberts and Michael Cowin are independent members of the Audit Committee for the purposes of NI 52-110. Alex Granger is not independent because he serves as the Company's President.

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.

#### ***Relevant Education and Experience***

**Donald Roberts (Chair)** – Mr. Roberts was Group Deputy Chief Financial Officer of Hutchison Whampoa Limited ("HWL") for 23 years until his retirement in 2011. HWL is a multinational conglomerate, part of the Cheung Kong Group of Companies founded by Mr. Li Ka-shing, which now trades as CK Hutchison Holdings Limited, a USD\$30 billion company. Mr. Roberts currently serves as an Independent Non-executive Director of listed companies HK Electric Investments Ltd. and CK Asset Holdings Ltd. He is also an Independent non-executive Director of Welab Bank Limited. Mr. Roberts is a member of the Listing Committee of the Main Board and Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong. In the past he has been a member of the Executive Committee of the Canadian Chamber of Commerce in Hong Kong and is currently a Governor of the chamber. He has served in the past as a Governor of the Canadian International School of Hong Kong for 12 years and also on its finance committee. He also served as a member, including as the Deputy Chairman, of the Professional Conduct Committee of the Hong Kong Institute of Certified Professional Accountants ("HKICPA") for nine years. Mr. Roberts holds a Bachelor of Commerce degree. He is a Chartered Accountant with the Chartered Professional Accountants of Canada, Alberta and British Columbia and a Fellow of the HKICPA.

**Alex Granger** – Mr. Granger is Managing Director of Xela Group Ltd., a consulting firm to the junior metals & mining sector. From 2010-16, he served as Chief Executive Officer of Barisan Gold Corp., a predecessor to the Company. Mr. Granger has fifteen years of experience in the investment banking and capital market industry covering the metals and mining sector. Ten of those years were spent in the Asia Pacific region with CIBC covering companies based in East Asia and Australia. Mr. Granger holds a Bachelor of Commerce degree from McGill University.

**Michael Cowin** – Mr. Cowin is the Principal of Corom 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, Inc., CTE Investments Pty Ltd., Rockmaster Resources Corp. and Walcott Resources Ltd. 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 based in Australia which manages over AUD\$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 Capital 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 in Australia. Mr. Cowin has gained extensive experience investing in the resources sector and holds a Masters of Business Administration from the Australian Graduate School of Management and a Bachelor of Chemical Engineering (Honors) from the University of NSW.

### ***Audit Committee Oversight***

The Audit Committee has not, at any time since the commencement of the Company's financial year ended August 31, 2019, made a recommendation to the Board to nominate or compensate an external auditor which was not adopted by the Board.

### ***Reliance on Certain Exemptions***

The Company has not, at any time since the commencement of the Company's financial year ended August 31, 2019, relied on the exemption in sections 2.4 (*De Minimis Non-audit Services*), 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*), 6.1.1(6) (*Death, Incapacity or Resignation*) or under part 8 (*Exemption*) of NI 52-110.

### ***Pre-Approval Policies and Procedures***

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Engagements for such services are considered by the Audit Committee on a case-by-case basis. The Audit Committee may delegate to one or more members the authority to approve non-audit services, provided that the member report to the Audit Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Audit Committee from time to time.

### ***External Auditor Service Fees***

The following table sets forth the fees billed to the Company by its auditor, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, for services rendered in respect of the last two financial years for which audits have been completed.

	August 31, 2019	August 31, 2018
Audit Fees: <sup>(1)</sup>	\$15,300	\$22,440
Audit Related Fees: <sup>(2)</sup>	Nil	Nil
Tax Fees: <sup>(3)</sup>	Nil	Nil
All Other Fees: <sup>(4)</sup>	Nil	Nil
:	\$15,300	\$22,440

**Notes:**

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

- technical advice from tax authorities.  
 (4) "All Other Fees" include fees for all other non-audit services.

### ***Reliance on Exemption in Section 6.1 of NI 52-110***

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

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

### **A. Financial Statements**

The directors will place before the Meeting the Company's financial statements for the financial year ended August 31, 2019 together with the auditors' report thereon and related management's discussion & analysis. The financial statements are available on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at [www.sedar.com](http://www.sedar.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.

### **B. Fixing the Number of Directors**

Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution fixing the number of directors on the Board at seven.

Management proposes increasing the number of directors on the Board from five (5) to seven (7) in order to add additional independent and qualified individuals to the Board with relevant expertise. If the resolution fixing the number of directors on the Board at seven is not approved by a majority of votes at the Meeting, the number of directors on the Board will remain fixed at five pursuant to the Company's Articles of Association.

The Board recommends that the Shareholders vote "FOR" fixing the number of directors on the Board at seven.

**If named as proxy holder, on any ballot, the management designees of the Company named in the Proxy intend to vote the Common Shares represented by each Proxy in respect of which they have been named proxy holder "FOR" fixing the number of directors on the Board at seven unless such Proxy specifies that the proxy holder is to vote "AGAINST" fixing the number of directors on the Board at seven.**

### **C. 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.

The seven 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 subsidiaries 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, for each nominees who has not previously been elected as a director at a meeting of shareholders of the Company, his principal occupation, business or employment during the past five years) and the number of Common Shares beneficially owned, or controlled or directed, by each nominee as of the date of this Circular:

<b>Name, Province or State and Country of Residence<sup>(1)</sup>, and Office Held</b>	<b>Principal Occupation, Business or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Company<sup>(6)</sup></b>	<b>Number of Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Warren Gilman Hong Kong Chairman, Director and CEO	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.	Since May 2, 2019	19,254,919
Alex Granger <sup>(2)</sup> Hong Kong Director and President	Managing Director of Xela Group Ltd., a Hong Kong-based consulting business. CEO and Director of the Company from December 2010 to November 2016. President of the Company since January 2020.	Since May 2, 2019	2,766,733
John F. Anderson <sup>(3)</sup> BC, Canada Director	Practicing lawyer at Stikeman Elliott LLP since 1991.	Since August 6, 2019	142,527
Michael Cowin <sup>(2)(3)</sup> NSW, Australia Independent Director	Principal of Corom Funds Management Pty Ltd., an Australian-based investment company, since 2018. Equity partner and Director of Northcape Capital Pty Ltd., an Australian-based investment fund from 2008 to 2018.	Since February 12, 2020	2,850,521 <sup>(4)</sup>
Donald Roberts <sup>(2)(3)</sup> Hong Kong Independent Director	Retired Group Deputy Chief Financial Officer of Hutchison Whampoa Limited, a predecessor to CK Hutchison Holdings Limited, a Hong Kong-based investment company.	Since February 12, 2020	650,000 <sup>(5)</sup>
Peter Chau Hong Kong	Managing Director and Chief Investment Officer of Infiniti Investment Management Ltd., a Hong Kong-based investment company, since 2005.	N/A	750,000
Chris Hansen WA, Australia	Business Development Manager of Wyloo Metals, an Australian-based investment company, since April 2020. Vice President of Appian Capital Advisory LLP from June to October 2018. Senior Associate at Appian from 2017 to 2018 and Investment Associate from 2014 to 2017.	N/A	Nil

**Notes:**

- (1) The information as to state and country of residence, principal occupation, business or employment and Common Shares beneficially owned or controlled by certain of the nominees is not within the knowledge of management, and has been furnished by the respective nominees.
- (2) Member of the Audit Committee.
- (3) Member of the CCGN Committee.
- (4) Includes 1,140,207 Common Shares held by Corom Investments Pty Ltd., 855,157 Common Shares held by Bunkwee Investments Pty Ltd. and 855,157 Common Shares held by JJC FT Pty Ltd., all companies controlled by Michael Cowin.
- (5) Includes 650,000 Common Shares held by Whole New Enterprises Ltd., a company controlled by Donald Roberts.
- (6) 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.

### ***Arrangements and Understandings***

Form 51-102F5 – *Information Circular* under NI 51-102 requires disclosure of any arrangement or understanding between any nominee and any other person or company, except the directors and executive officers of the Company acting solely in such capacity. The Company currently does not have knowledge of any such arrangement or understanding.

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

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.

The Board recommends that the Shareholders vote "FOR" the election of management's nominees as directors.

**If named as proxy holder, on any ballot, the management designees of the Company named in the Proxy intend to vote the Common Shares represented by each Proxy in respect of which they have been named proxy holder "FOR" the election of each of management's nominees as a director of the Company unless such Proxy specifies that authority to do so is withheld.**

**Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any of the nominees is unable or declines to stand for election re-election, the management designees of the Company named in the Proxy will vote for another nominee of**

management, if presented at the Meeting, or to reduce the number of directors accordingly, in their discretion.

**D. Appointment of Auditor**

Management recommends that Shareholders vote in favour of reappointing Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, which firm has been auditor of the Company since August 15, 2012, as the Company's auditor to hold office until the next annual meeting of Shareholders or until it resigns or is removed from office by the Company, with remuneration to be approved by the Board.

Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution, in substantially the following form, subject to such changes as may be recommended by legal counsel or required by regulatory authorities:

"Resolved, as an ordinary resolution that Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, be appointed as the Company's auditor until the next annual meeting of Shareholders following the Meeting, or until it resigns or is removed from office by the Company, with remuneration to be approved by the Board."

**If named as proxy holder, on any ballot, the management designees of the Company named in the Proxy intend to vote the Common Shares represented by each Proxy in respect of which they have been named proxy holder "FOR" the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditor of the Company, unless such Proxy specifies that authority to do so is withheld.**

**E. Stock Option Plan**

At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve the Company's Option Plan, which was last approved by Shareholders at the Company's annual and special meeting of Shareholders held on August 6, 2019.

The Option Plan reserves for issuance a maximum of 10% of the issued and outstanding Common Shares at the time of a grant of options under the Option Plan. The Option Plan is administered by the Board and provides for grants of non-transferable options under the Option Plan at the discretion of the Board to directors, senior officers, employees, management company employees of, or consultants to, the Company and its subsidiaries, or their permitted assigns.

The Option Plan is a "rolling" stock option plan wherein:

- (a) directors, officers, employees and consultants of the Company, or persons engaged in investor relations activities on behalf of the Company or any of its subsidiaries are eligible to receive grants of options under the Option Plan;
- (b) a number of Common Shares that shall not exceed 10% of the issued and outstanding Common Shares at any given time are reserved for the issuance of stock options;
- (c) the exercise price of any options granted is determined by the Board in its sole discretion as of the date the Board grants the options, and shall not be less than the last closing price of the Common Shares traded through the facilities of the TSXV prior to the grant of the options, less any discount permitted by the TSXV, or such other price as may be required by the TSXV;
- (d) options granted under the Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten years;
- (e) an optionee's options expire one year (or such other time, not to exceed one year, as shall be determined by the Board) after the date the optionee ceases to be eligible to receive options; and

- (f) notwithstanding the foregoing, if an optionee dies, any vested options held by them at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option.

Under the Option Plan, the number of Common Shares which may be reserved for issue: (i) to any one optionee who is an insider and any associates of such insider, shall not exceed 5% of the outstanding issue at any given time and for any 12 month period; or (ii) to insiders (as a group), an aggregate number of options not exceeding 10% of the issued Common Shares for any 12 month period, calculated at the date an option is granted to an insider; and (iii) to all persons who undertake investor relations activities, shall not exceed 2% of the outstanding issue for any one consultant. "Outstanding issue" is determined on the basis of the number of Common Shares that are outstanding immediately prior to the Common Share issuance in question.

As of the date of this Circular, the Company has 277,252,651 Common Shares outstanding, which means a total of 27,725,265 Common Shares could be reserved for issuance upon the exercise of stock options. As of the date of this Circular, there are a total of 25,500,000 Common Shares reserved for the exercise of outstanding stock options.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution in substantially the following form, subject to such changes as may be recommended by legal counsel or required by regulatory authorities:

"Resolved as an ordinary resolution that:

1. Subject to regulatory approval, the 10% rolling stock option plan (the "**Option Plan**") pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares of the Company ("**Common Shares**") at the time of the grant, with a maximum of 5% of the issued and outstanding Common Shares being reserved to any one person on a yearly basis, be and is hereby ratified, confirmed and approved;
2. The Company be and is hereby authorized to grant stock options pursuant to and subject to the terms and conditions of the Option Plan entitling the option holders to purchase Common Shares; and
3. Any one director or officer of the Company be and is hereby authorized to execute any and all documents as the director or officer deems necessary to give effect to the transactions contemplated in the Option Plan."

The full text of the Option Plan will be available for review at the Meeting and may be obtained from the Company prior to the Meeting by sending a request in writing to the Company's Secretary at the Company's principal office in Hong Kong.

The Board recommends that the Shareholders vote "FOR" approval and ratification of the Option Plan.

**If named as proxy holder, on any ballot, the management designees of the Company named in the Proxy intend to vote the Common Shares represented by each Proxy in respect of which they have been named proxy holder "FOR" approval and ratification of the Option Plan unless such Proxy specifies that the proxy holder is to vote "AGAINST" approval and ratification of the Option Plan.**

## **F. Share Consolidation**

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, to approve, an ordinary resolution authorizing an amendment to the Company's Memorandum of Association to consolidate the issued and outstanding Common Shares (the "**Share Consolidation Resolution**"). The Board believes it is in the best interests of the Company to consolidate the issued and outstanding Common Shares on a basis of ten (10) pre-consolidation Common Shares being consolidated into one (1) post-consolidation Common Share (the "**Share Consolidation**").

If the Share Consolidation Resolution is approved, the Share Consolidation would only be implemented, if at all, upon a determination by the Board that it is in the best interests of the Company and its Shareholders to proceed with the Share Consolidation.

If the proposed Share Consolidation is implemented, the number of Common Shares issued and outstanding will be reduced from approximately 277,252,651 Common Shares (as of September 29, 2020) to approximately 27,725,265 Common Shares.

No fractional Common Shares will be issued in connection with the Share Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional Common Share, upon such Share Consolidation, the number of Common Shares to be received by such Shareholder will be rounded down to the nearest whole number. No consideration will be paid or issued in respect of fractional Common Shares that are cancelled as a result of the Share Consolidation.

The Share Consolidation is subject to Shareholder and regulatory approval, including approval of the TSXV, at the time of the proposed consolidation.

If the Share Consolidation Resolution is approved, the Board will determine when and if to give effect to the Share Consolidation. Other than the completion and return of a letter of transmittal and any other requirements pursuant to the rules of the TSXV, no further action on the part of Shareholders would be required in order for the Board to implement the Share Consolidation.

Notwithstanding approval of the proposed Share Consolidation by the Shareholders, the Board, in its sole discretion, may delay implementation of the Share Consolidation or revoke the Share Consolidation Resolution and abandon the Share Consolidation without further approval or action by or prior notice to Shareholders. If the Board does not implement the Share Consolidation within 12 months of the date of the Meeting, the authority granted by the Share Consolidation Resolution would lapse and be of no further force or effect.

If the Share Consolidation is not approved by Shareholders at the Meeting, the Company will not undertake the Share Consolidation.

Following the announcement by the Company of the effective date of the Share Consolidation, Registered Shareholders will be sent a transmittal letter by Computershare containing instructions on how to exchange their share certificates representing pre-consolidation Common Shares for new share certificates representing post-consolidation Common Shares. Non-registered Owners holding Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Share Consolidation than those that will be put in place by the Company for the Registered Shareholders. If you hold Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

### **Share Consolidation Resolution**

Pursuant to the provisions of the *Companies Law* and the Company's Articles of Association, in order to be effective, the Share Consolidation Resolution must be approved by a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution in substantially the following form, subject to such changes as may be recommended by legal counsel or required by regulatory authorities:

"Resolved as an ordinary resolution that:

1. Pursuant to section 13 of the *Companies Law* (Cayman Islands) (the "**Companies Law**") and the Company's Articles of Association, the Company consolidate all of the issued and outstanding common shares of the Company (the "**Common Shares**") on the basis of a ratio of one (1) post-consolidation Common Share for every ten (10) outstanding pre-consolidation Common Shares;
2. Any resulting fractional Common Shares shall be rounded down to the nearest whole Common Share and no consideration will be paid or issued in respect of fractional Common Shares that are cancelled as a result of the consolidation of the Common Shares;
3. The board of directors of the Company (the "**Board**") be and is hereby authorized to revoke, without further approval of the Shareholders, this resolution at any time prior to the completion thereof, notwithstanding the approval by the Shareholders of same, if determined, in the Board's sole discretion to be in the best interest of the Company; and
4. Any director or officer of the Company be and is hereby authorized to do all such further acts and things and execute all such documents and instruments as may be necessary or desirable to give effect to the matters contemplated by this resolution, including but not limited to, completing any filings as may be required by regulatory authorities or under the *Companies Law*."

The Board recommends that the Shareholders vote "FOR" the Share Consolidation Resolution.

**If named as proxy holder, on any ballot, the management designees of the Company named in the Proxy intend to vote the Common Shares represented by each Proxy in respect of which they have been named proxy holder "FOR" the Share Consolidation Resolution unless such Proxy specifies that the proxy holder is to vote "AGAINST" the Share Consolidation Resolution.**

### **G. Amendment to Memorandum of Association to Effect the Share Consolidation**

If the Share Consolidation Resolution is passed at the Meeting, and if the Board decides to proceed with the Share Consolidation, the Company's Memorandum of Association will be altered and it is proposed to pass a special resolution approved by two-thirds of the Shareholders voting in person or by proxy at the Meeting approving the filing of the amended Memorandum and Articles of Association with the Registrar of Companies reflecting the Share Consolidation (the "**Memorandum Amendment Resolution**").

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass a special resolution in substantially the following form, subject to such changes as may be recommended by legal counsel or required by regulatory authorities:

"Resolved as a special resolution that:

1. Subject to the approval of the Share Consolidation Resolution (as such term is defined in the Company's Management Information Circular dated September 30,

2020, and to the Company's board of directors deciding to proceed with the consolidation approved by such resolution, Article 8 of the Company's Memorandum of Association be amended to change the authorised share capital of the Company from CAD\$5,000,000 divided into 5,000,000,000 shares of a par value of CAD\$0.001 each; to CAD\$5,000,000 divided into 500,000,000 shares of a nominal or par value of CAD\$0.01; and

2. Any director or officer of the Company be and is hereby authorized to do all such further acts and things and execute all such documents and instruments as may be necessary or desirable to give effect to the matters contemplated by this resolution, including but not limited to, completing any filings as may be required by regulatory authorities or under the *Companies Law*."

The Board recommends that the Shareholders vote "FOR" the Memorandum Amendment Resolution.

**If named as proxy holder, on any ballot, the management designees of the Company named in the Proxy intend to vote the Common Shares represented by each Proxy in respect of which they have been named proxy holder "FOR" the Memorandum Amendment Resolution unless such Proxy specifies that the proxy holder is to vote "AGAINST" the Memorandum Amendment Resolution.**

#### **H. Other Business**

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

#### **RESTRICTED SECURITIES**

No action is proposed to be taken at the Meeting which involves a transaction that would have the effect of converting or subdividing, in whole or in part, existing securities of the Company into restricted securities, or creating new restricted securities.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative annual financial statements and Management's Discussion and Analysis.

Shareholders wishing to request copies of the Company's financial statements and Management's Discussion and Analysis may contact the Company at:

Queen's Road Capital Investment Ltd.

Cheung Kong Centre  
Suite 2006  
2 Queen's Road Central  
Hong Kong

Telephone: +852 2759 2022  
Facsimile: +852 2759 2027

**BOARD APPROVAL**

This Circular contains information as at September 30, 2020, except where another date is specified. The contents of this Circular have been approved and its mailing authorized by the Board by resolution passed on October 1, 2020.

DATED at Hong Kong as of September 30, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

*"Warren Gilman"*

Warren Gilman  
Chairman of the Board



## SCHEDULE A

**QUEEN'S ROAD CAPITAL INVESTMENT LTD.**  
**(formerly Lithion Energy Corp.)**  
(the "Company")

**FORM 51-102F6**  
**STATEMENT OF EXECUTIVE COMPENSATION**  
**(For the Year Ended August 31, 2019)**

### **GENERAL**

The following information, dated as of February 6, 2020, is provided as required under Form 51-102F6V for Venture Issuers (the "Form"), as such term is defined in National Instrument 51-102. References to the Company's most recently completed financial year in this Schedule are to the financial year ended August 31, 2019.

For the purposes of this Form, a "Named Executive Officer", or "NEO", means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

The Compensation Discussion and Analysis section explains the compensation program for the fiscal year ended August 31, 2019 for the Company's Named Executive Officers (as that term is defined under applicable securities legislation).

### **DIRECTOR AND NEO COMPENSATION**

#### **Director and NEO Compensation. Excluding Options and Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the two most recently completed financial years ended August 31, 2019 and August 31, 2018. Options and compensation securities are disclosed under the heading "Stock Options and Other Compensation Securities and Instruments" below.

**Table of Compensation excluding Compensation Securities**

Name and Principal position	Year (1)	Salary, consulting fee, retainer or commission (\$)(2)	Bonus (\$)(2)	Committee or meeting fees (\$)(2)	Value of Perquisites (\$)(2)	All other compensation (\$)(2)	Total compensation (\$)(2)
Shawn Westcott (5) <i>President &amp; Director</i>	2019	20,000(3)	Nil	Nil	Nil	Nil	20,000
	2018	30,000(3)	Nil	Nil	Nil	Nil	30,000
Darren Smith (6) <i>VP of Exploration &amp; Director</i>	2019	5,503(4)	Nil	Nil	Nil	Nil	5,503
	2018	8,000(4)	Nil	Nil	Nil	Nil	8,000
Karen Dyczkowski <i>CFO</i>	2019	30,000(3)	Nil	Nil	Nil	Nil	30,000
	2018	30,000(3)	Nil	Nil	Nil	Nil	30,000
Jenna Hardy (7) <i>Director</i>	2019	7,457(4)	Nil	Nil	Nil	Nil	7,457
	2018	8,000(4)	Nil	Nil	Nil	Nil	8,000
Scott Eldridge (7) <i>Director</i>	2019	7,457(4)	Nil	Nil	Nil	Nil	7,457
	2018	8,000(4)	Nil	Nil	Nil	Nil	8,000
Warren Gilman <i>Chair &amp; Director</i>	2019	Nil(4)	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Alex Granger <i>CEO &amp; Director</i>	2019	Nil(4)	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
John Anderson <i>Director</i>	2019	Nil(4)	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

(1) Financial years ended August 31.

(2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.

(3) Management fees which are paid to an NEO on a month-to-month basis as approved by the Board of Directors.

(4) Director fees which are paid to a director on a quarterly basis as approved by the Board of Directors.

(5) Mr. Westcott resigned as President of the Company on May 2, 2019 and as a director on August 6, 2019.

(6) Mr. Smith resigned as VP of Exploration and a director on May 2, 2019.

(7) Ms. Hardy and Mr. Eldridge did not stand for re-election at the Company's Annual General and Special Meeting held August 6, 2019.

(8) Mr. Gilman was appointed Chair and a director on May 2, 2019.

(9) Mr. Granger was appointed CEO and a director on May 2, 2019.

(10) Mr. Anderson was elected a director at the Company's Annual General and Special Meeting held August 6, 2019.

### **Stock Options and Other Compensation Securities and Instruments**

No compensation securities were granted or issued by the Company to any NEOs or directors of the Company during the financial year ended August 31, 2019, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

The following table sets out the total amount of compensation securities, and underlying securities, held by each named executive officer or director on the last day of the most recently completed financial year end:

Name	Total Compensation Securities	Description of Underlying Securities
Shawn Westcott	275,000 stock options	275,000 common shares
Darren Smith	100,000 stock options	100,000 common shares
Karen Dyczkowski	275,000 stock options	275,000 common shares
Jenna Hardy	100,000 stock options	100,000 common shares
Scott Eldridge	100,000 stock options	100,000 common shares

No compensation securities were held by Warren Gilman, Alex Granger or John Anderson at August 31, 2019.

No compensation securities were exercised by any NEOs or directors of the Company during the financial year ended August 31, 2019.

### **Stock Option Plan and Other Incentive Plans**

The Company has no other incentive plans other than its stock option plan (the "**Plan**"). The Plan reserves for issuance a maximum of 10% of the Company's common shares at the time of a grant of options under the Option Plan. The Option Plan is administered by the Board and provides for grants of non-transferable options under the Option Plan at the discretion of the Board to directors, senior officers, employees, management company employees of, or consultants to, the Company and its subsidiaries, or their permitted assigns (each an "**Eligible Person**").

The Plan is a "rolling" stock option plan wherein:

- (a) directors, officers, employees and consultants of the Company, or to person engaged in investor relations activities on behalf of the Company or any of its subsidiaries are eligible to receive grants of options under the Plan;
- (b) a number of common shares shall not exceed ten (10%) percent of the issued and outstanding common shares in the capital stock of the Company at any given time are reserved for the issuance of stock options;
- (c) the exercise price of any options granted is determined by the Board in its sole discretion as of the date the Board grants the options, and shall not be less than the last closing price of the Company's common shares traded through the facilities of the Exchange prior to the grant of the options, less any discount permitted by the Exchange, or such other price as may be required by the Exchange;
- (d) options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (e) an optionee's options expire one year (or such other time, not to exceed one year, as shall be determined by the Board) after the date the optionee ceases to be eligible to receive options; and
- (f) notwithstanding the foregoing, if an optionee dies, any vested options held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option.

Under the Plan, the number of common shares which may be reserved for issue: (i) to any one optionee who is an insider and any associates of such insider, shall not exceed 5% of the outstanding issue at any given time and for any 12 month period or (ii) to insiders (as a group) of an aggregate number of options exceeding 10% of the issued shares for any 12 month period, calculated at the date of an option is granted to an insider; and (iii) to all persons who undertake investor relations activities, shall not exceed 2% of the outstanding issue for any one consultant. "Outstanding issue" is determined on the basis of the number of common shares that are outstanding immediately prior to the common share issuance in question.

As at August 31, 2019, the Company had 40,303,565 common shares outstanding which means 4,030,357 common shares could be reserved for issuance upon the exercise of stock options. As at August 31, 2019, there was a total of 1,000,000 common shares reserved for the exercise of outstanding stock options.

The Plan is subject to yearly approval by the Company's shareholders. The Option Plan was last approved by the Company's shareholders on August 6, 2019.

### **Employment, Consulting and Management Agreements**

The material terms of any employment, consulting and management agreements of the Company are described under the heading "Director and NEO Compensation, Excluding Options and Compensation Securities". As of August 31, 2019, there were no provisions in any contract, agreement, plan or arrangement that provide for payments to a NEO or director at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities.

### **Oversight and Description of Director and NEO Compensation**

During the financial year ended August 31, 2019, the Board of Directors of the Company did not have a compensation committee. The Board of Directors as a whole is responsible for determining all forms of compensation to be granted to the Named Executive Officers and the directors.

#### ***NEO Compensation***

Compensation of Named Executive Officers and directors is determined based on discussion by the Board of Directors based on subjective factors, without any formal objectives, criteria or analysis. The Board of Directors does not have a pre-determined compensation plan and does not engage in benchmarking practices. 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 our relative performance and strategic goals.

The executive officer compensation consists of two basic elements: i) base salary; 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 exploration company and does not generate any material revenue and must rely exclusively on funds raised from equity financing. Therefore, greater emphasis may be put 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.

#### ***Director Compensation***

Effective March 1, 2017, a director compensation program was put in place whereby the directors of the Company who are not Named Executive Officers receive annual director' fees, paid quarterly. During the year ended August 31, 2019, no stock options were granted to the directors of the Company who are not Named Executive Officers pursuant to the Company's incentive stock option plan.

***Changes Subsequent to Year-End***

There have been no significant changes made to the Company's compensation policies subsequent to the financial year ended August 31, 2019.

**Pension**

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.

## SCHEDULE B

### QUEEN'S ROAD CAPITAL INVESTMENT LTD.

#### AUDIT COMMITTEE 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 – *Audit Committees* ("**NI 52-110**") and any applicable stock exchange rules, each as may be amended or replaced from time to time (collectively referred to as the "Independence Rules").

- (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. Periodically, at least annually, the Committee shall meet separately with management and the external auditors.
- (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) reports made under the Company's Whistleblower Policy and the resolution thereof during the current period;
  - (iv) any material issues raised by any inquiry or investigation by the Company's regulators; and

- (v) 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 provide 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 May 7, 2020.