



**NOTICE OF  
ANNUAL AND SPECIAL MEETING  
to be held on October 26, 2023**

**- and -**

**MANAGEMENT INFORMATION CIRCULAR**

**Dated: September 27, 2023**

**COTEC HOLDINGS CORP.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON OCTOBER 26, 2023**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the shareholders of CoTec Holdings Corp. (the “**Company**” or “**CoTec**”) will be held virtually via live webcast at <https://meetnow.global/MWRHDVR>, on October 26, 2023 at 8:00 a.m. (Vancouver time), for the following purposes, as more particularly described in the accompanying management information circular (the “**Circular**”):

1. to receive and consider the financial statements for the fiscal year ended December 31, 2022 and the auditor’s report thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint an auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to approve and confirm the equity incentive plan of the Company; and
5. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

**The nature of the business to be transacted at the Meeting is described in further detail in the Circular. The Circular is deemed to form part of this notice of meeting. Please read the Circular carefully before you vote on the matters being transacted at the Meeting.**

Holders of common shares registered on the books of the Company at the close of business on September 21, 2023 are entitled to notice of and to vote at the Meeting.

**This year, registered shareholders and duly appointed proxyholders are invited to attend the Meeting by live webcast, which will enable registered shareholders and duly appointed proxyholders to submit questions and vote online.** Non-registered shareholders holding common shares beneficially through an intermediary (“**Non-Registered Shareholders**”) who have not appointed themselves may attend the live webcast of the Meeting, but will not have the ability to vote virtually or ask questions.

The accompanying form of proxy or voting instruction form includes detailed instructions on how to attend and vote virtually at the Meeting.

**INSTRUCTION FOR ATTENDING THE MEETING VIA LIVE WEBCAST:** Shareholders and duly appointed proxyholders are invited to attend the Meeting virtually via live webcast, by going to <https://meetnow.global/MWRHDVR>.

- For Registered Shareholders and Duly Appointed Proxyholders:
  - Registered Shareholders: click on “Shareholder” and enter your 15-digit control number located on the form of proxy or in the email notification you received.
  - Duly Appointed Proxyholders: click on “Invitation” and enter your Invite Code provided by Computershare after the voting deadline has passed.
- For Non-Registered Shareholders:
  - Click on “Guest” and complete the online form; however, Non-Registered Shareholders will not be able to vote or submit questions at the Meeting.

## **Voting by Proxy, Telephone or Online**

If you are unable to attend the Meeting, then we invite you to date, sign and return the enclosed form of proxy. Proxies to be used at the Meeting must be deposited with Computershare (Attention: Proxy Department), 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 before 8:00 am (Vancouver time) on October 24, 2023. Late proxies may be accepted or rejected by the Chair of the Meeting in their discretion, and the Chair is under no obligation to accept or reject any particular late proxy. Shareholders may also elect to vote by use of the telephone or via the internet in accordance with the instructions on the applicable form of proxy.

Non-Registered Shareholders wishing to be represented by proxy at the Meeting or any adjournment(s) of the Meeting must have deposited their completed voting instruction form in accordance with the directions provided on their voting instruction form.

Shareholders, including Non-Registered Shareholders, who wish to appoint a third party proxyholder to represent them at the Meeting **must submit their proxy or voting instruction form before registering their proxyholder. Registering the proxyholder is an additional step once the shareholder has submitted their proxy or voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code that would allow them to participate in the online Meeting.**

To register a proxyholder shareholders **must** visit <https://www.computershare.com/cotec> and provide Computershare with their proxyholder's contact information by 8:00 am (Vancouver time) on October 24, 2023, so that Computershare may provide the proxyholder with an Invite Code via email. **In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.**

The virtual meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). We encourage you to access the meeting prior to the start time. **It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.**

**A Management Information Circular is attached to this Notice of Meeting. Shareholders are reminded to review the Management Information Circular before voting.**

DATED this 27<sup>th</sup> day of September, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Raffaele (Lucio) Genovese"*

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Raffaele (Lucio) Genovese

Chair

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD OCTOBER 26, 2023**

**MANAGEMENT INFORMATION CIRCULAR**

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by management of CoTec Holdings Corp. (the “**Company**”) for use at the annual and special meeting of the shareholders of the Company (the “**Meeting**”) to be held virtually via live webcast at <https://meetnow.global/MWRHDVR>, on October 26, 2023 at 8:00 a.m. (Vancouver time) or any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of annual and special meeting of shareholders (the “**Notice of Meeting**”). Unless otherwise stated, all information in this Circular is current as of September 27, 2023 and all references to dollars, “\$” or “C\$” are to Canadian dollars.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

**The solicitation of proxies is being made by or on behalf of management of the Company.** It is expected that the solicitation of proxies will be made primarily by mail, but may be supplemented by telephone or other form of correspondence. The cost of solicitation of proxies will be borne by the Company. The Company will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**National Instrument 54-101**”). This cost is expected to be nominal.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

**Non-Registered Shareholders**

Only registered shareholders of the Company, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, common shares of the Company (“**Common Shares**”) beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Common Shares; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

The meeting materials are being sent to both registered and non-registered owners of Common Shares. The Company is sending this Circular and the form of proxy (the “**Meeting Materials**”) directly to non-objecting beneficial owners under National Instrument 54-101.

In accordance with the requirements of National Instrument 54-101, the Company is sending the Meeting Materials to the Intermediaries and clearing agencies for onward distribution to objecting beneficial owners. Intermediaries are required to forward the Meeting Materials to objecting beneficial owners unless the objecting beneficial owners have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to objecting beneficial owners. Generally, objecting beneficial owners who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the objecting beneficial owners and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow; or

- (b) be given a form of proxy which has already been signed by the Intermediary, which is restricted as to the number of Common Shares beneficially owned by the objecting beneficial owners but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the objecting beneficial owners when submitting the proxy.

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

The Company is not relying on the "notice-and-access" provisions set out in National Instrument 54-101 to distribute copies of the proxy-related materials in connection with the Meeting.

All references to shareholders in this Circular and the accompanying proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

#### **Appointment and Revocation of Proxies – Registered Shareholders**

To limit attendance at the Meeting, the Company encourages shareholders to vote by proxy. A form of proxy for use at the Meeting or any adjournment thereof was mailed to shareholders as part of the Meeting Materials.

**The persons named in the form of proxy accompanying this Circular are directors and/or officers of the Company. A shareholder of the Company has the right to appoint a person or company (who need not be a shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Computershare Investor Services Inc. in time for use at the Meeting in the manner specified in the Notice of Meeting.**

A registered shareholder of the Company who has given a proxy may revoke the proxy at any time prior to use by depositing an instrument in writing, including another completed form of proxy, executed by such registered shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered shareholder is a corporation, by an officer or attorney thereof properly authorized, with Computershare Investor Services Inc., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attn: Proxy Dept. not later than 8:00 a.m. (Vancouver time) on October 24, 2023 (or at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia, prior to the time set for the Meeting or any adjournment thereof). Late proxies may be accepted or rejected by the chair of the Meeting (the "Chair") at his or her discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair at his or her discretion, without notice.

Only registered shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and if necessary revoke their proxy.

#### **Exercise of Discretion by Proxies**

Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder thereon. **In the absence of instructions, such Common Shares will be voted for each of the matters referred to in the Notice of Meeting as specified thereon.**

**The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof.** At the date hereof, management of the Company knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Company should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy therein.

### **Signing of Proxy**

The form of proxy must be signed by the shareholder of the Company or the duly appointed attorney of the shareholder of the Company authorized in writing or, if the shareholder of the Company is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Company or in some other representative capacity, including an officer of a corporation which is a shareholder of the Company, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Company. A shareholder of the Company or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

## **VOTING AND PARTICIPATING AT THE MEETING**

**This year, registered shareholders and duly appointed proxyholders are invited to attend the Meeting by live webcast, which will enable registered shareholders and duly appointed proxyholders to submit questions and vote online.** Non-Registered Shareholders who have not appointed themselves may attend the live webcast of the Meeting, but will not have the ability to vote virtually or ask questions. A summary of the information shareholders will need to attend and vote at the Meeting

### **Attending the Meeting via Live Webcast**

To attend the Meeting, log in online at <https://meetnow.global/MWRHDVR>. You should allow ample time to check into the Meeting online and complete the related procedures. It is recommended that you log in at least fifteen minutes before the Meeting starts. Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including Non-Registered Shareholders who have duly appointed themselves as proxyholders, to participate in the Meeting and ask questions, all in real time. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

Registered shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting. Non-Registered Shareholders who have not duly appointed themselves as a proxyholder will be able to attend the Meeting but only as a guest and will not be able to vote or submit questions at the Meeting.

If you attend the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

If you have any difficulties accessing the Meeting, you may contact our webcast provider at: 888-724-2416 (local) or +1 781-575-2748 (international).

It is recommended that shareholders and proxyholders submit their questions as soon as possible during the Meeting so they can be addressed at the right time. Questions may be submitted in writing by using the relevant dialogue box in the function "Q&A" during the Meeting. Written questions or comments submitted through the dialogue box function will be read or summarized by a representative of the Company, after which the Chair of the Meeting or members of management present at the Meeting will respond. Questions relating to a matter to be voted on at the Meeting will be responded to before a vote is held on such matter.

In order to facilitate a respectful and effective Meeting, only questions of general interest to all shareholders will be answered. If several questions relate to the same or similar topic, the Company will group the questions and state that it has received similar questions.

In the event of technical malfunction or other significant problem that disrupts the Meeting, the Chair of the Meeting may adjourn, recess or expedite the Meeting, or take such other action as the Chair determines is appropriate considering the circumstances.

#### *Participation by Registered Shareholders and Duly Appointed Proxyholders*

Registered shareholders that have a 15-digit control number located on their form of proxy, along with duly appointed proxyholders who were assigned an Invite Code by Computershare, will be able to vote and submit questions during the Meeting. To attend the Meeting, go to <https://meetnow.global/MWRHDVR> before the start of the Meeting. To log in, click on “Shareholder” and enter your 15-digit control number or “Invitation” and enter your Invite Code.

Registered shareholders using a 15-digit control number to log in to the online Meeting will be required to accept the terms and conditions of the Meeting. If a registered shareholder who has submitted a form of proxy attends the Meeting via webcast and proceeds with voting at the Meeting, any and all previously submitted proxies will be revoked. If you do not wish to revoke all previously submitted proxies, do not vote at the Meeting.

#### *Participation by Non-Registered Shareholders*

Non-Registered Shareholders who have not appointed themselves as a proxyholder to vote at the Meeting but who wish to attend the Meeting virtually will only be able to attend as a guest. To do so, go to <https://meetnow.global/MWRHDVR> before the start of the Meeting. Click on “Guest” and complete the online form. Non-Registered Shareholders will be able to listen to the Meeting but will not be able to vote or submit questions.

#### *Participation by United States Non-Registered Shareholders*

To attend and vote at the Meeting virtually, you must first obtain a legally valid proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker, bank or other agent included with the proxy materials, or contact your broker, bank or other agent to request a legal proxy form.

After obtaining a valid legal proxy form from your broker, bank or other agent, you must then submit a copy of your completed legal proxy to Computershare to register to attend the Meeting. Requests for registration should be directed to Computershare at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 or by email at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com). Requests for registration must be labeled as “Legal Proxy” and be received no later than 8:00 am (Vancouver time) on October 24, 2023. You will receive a confirmation of your registration by email after we receive your registration materials. Once this process is complete, you may attend the Meeting and vote your Common Shares at <https://meetnow.global/MWRHDVR> during the Meeting. You are required to register your appointment at <https://www.computershare.com/cotec>. (See the information under the heading “Registration of Proxyholders” below for details.)

If you use a 15-digit control number to log in to the live webcast and you accept the terms and conditions of the Meeting, you will revoke any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forward at the Meeting. If you **do not** wish to revoke all previously submitted proxies, do not accept the terms and conditions of the Meeting, in which case you will enter the Meeting as a guest.

#### **Voting at the Meeting**

Each registered shareholder, and each Non-Registered Shareholder who has appointed themselves or a third-party proxyholder to represent them at the Meeting, will appear on a list of shareholders and proxyholders prepared by Computershare, the Company’s registrar and transfer agent. To have their Common Shares voted at the Meeting, each registered shareholder or duly appointed proxyholder will be required to enter their control number or Invite Code provided by Computershare at <https://meetnow.global/MWRHDVR> before the start of the Meeting. Non-Registered

Shareholders who wish to attend and vote at the Meeting should appoint themselves as a proxyholder and **must** register with Computershare at <https://www.computershare.com/cotec> **after** submitting their voting instruction form to receive an Invite Code that can be used to log in to the Meeting. (See the information under the heading “Registration of Proxyholders” below for details.)

Non-Registered Shareholders who have not appointed themselves as a proxyholder will not be able to participate or vote at the Meeting, but will be able to attend and listen to the Meeting as a guest. This is because the Company and Computershare do not have a record of the Non-Registered Shareholders of the Company and, as a result, cannot verify a Non-Registered Shareholder’s shareholdings or entitlement to vote unless that Non-Registered Shareholder appoints themselves as a proxyholder. See “Registration of Proxyholders” and “Non-Registered Shareholders.”

If you are a Non-Registered Shareholder and wish to vote at the Meeting, you must appoint yourself as a proxyholder by inserting your own name in the space provided on the voting instruction form sent to you and must follow all instructions, including regarding deadlines, provided by your Intermediary.

### **Registration of Proxyholders**

Shareholders who wish to appoint a third party proxyholder to represent them at the live webcast **must submit their proxy or voting instruction form before registering their proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving an Invite Code that would allow them to participate in the Meeting.** To register a proxyholder, shareholders **must** visit <https://www.computershare.com/cotec> and provide Computershare with their proxyholder’s contact information by 8:00 am (Vancouver time) on October 24, 2023, so that Computershare may provide the proxyholder with an Invite Code via email. **Without an Invite Code, proxyholders will not be able to attend and vote at the Meeting.**



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

Except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a *pro rata* basis by all holders of shares in the capital of the Company, or as otherwise disclosed herein, no (i) director or executive officer of the Company at any time since the beginning of the Company's last financial year, (ii) proposed nominee for election as a director of the Company, or (iii) any associate of a person in (i) or (ii) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in the matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors, the matters set out under the heading "Particulars of Matters to be Acted Upon".

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the time of close of business on September 21, 2023 (the "**Record Date**"), there were 54,627,430 Common Shares outstanding. Each Common Share carries the right to one vote per Common Share. Each holder of outstanding Common Shares of record at the time of close of business on the Record Date will be given notice of the Meeting and is entitled to vote at the Meeting the number of Common Shares of record held by him, her or it on the Record Date.

To the knowledge of the directors and senior officers of the Company, as of the date hereof the only persons who beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Common Shares are as follows:

Name	Number of Common Shares	Percentage of Common Shares Owned
Braam Jonker <i>Vancouver, British Columbia</i>	7,423,116 <sup>(1)</sup>	13.46%
Kings Chapel International Limited <i>St. Helier, Jersey</i>	17,966,307 <sup>(3)</sup>	32.89%
John Conlon <i>Toronto, Ontario</i>	6,130,971 <sup>(2)</sup>	11.22%

(1) Consists of 5,977,488 Common Shares held by Mr. Jonker and 1,445,628 Common Shares held by Martha Jonker. In addition, Mr. Jonker holds stock options to purchase 300,000 Common Shares.

(2) Consists of 5,123,061 Common Shares held by Mr. Conlon and 1,007,910 Common Shares held by 1662287 Ontario Inc. (a company controlled by Mr. Conlon). In addition, Mr. Conlon holds 180,919 Common Share warrants.

(3) Kings Chapel also holds 11,011,948 Common Share warrants. In addition, Julian Treger, the Company's Chief Executive Officer and a director of the Company, owns 2,708,500 Common Shares, 2,303,500 Common Share warrants, stock options to purchase 1,924,466 Common Shares and 3,386,001 EIUs (as defined below). Mr. Treger is a beneficiary of a family trust associated with Kings Chapel.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Election of Directors

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of the current nominees whose names are set forth below.

Management does not contemplate that any of the current nominees will not be able to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument reserve the right to vote for another nominee at their discretion. The terms of office of the Company's current directors will expire as of the date of the Meeting. Each director elected at the Meeting will hold office until the next annual meeting of shareholders of the Company, or until their resignation or removal, or until their respective successors have been duly elected or appointed in accordance the provisions of the *Business Corporations Act* (British Columbia).

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employment for the past five years, their periods of service as directors of the Company and the number of Common Shares of the

Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

<p><b><u>Julian Treger</u></b><sup>(2)</sup> South Africa</p> <p><b>Position with the Company:</b> President, Chief Executive Officer and Director</p> <p><b>Director Since:</b> 2021</p> <p><b>Common Shares Held: 2,708,500</b><sup>(3)</sup></p>	<p><b>Principal Occupation:</b></p> <p><b>Biographical Information:</b></p> <p><b>Meeting Attendance Record for the Financial Year Ending December 31, 2022</b></p>	<p>President and Chief Executive Officer of the Company since April 2022; Chief Executive Officer, Anglo Pacific Group Plc until March 2022</p> <p>Mr. Treger is the former Chief Executive Officer of Anglo Pacific Group Plc. During his tenure at Anglo Pacific Group, he has made \$450 million of acquisitions, transforming the business from a coal-based royalty business to a battery focused streamer, whilst increasing income from £3 million in 2013 to close to £60 million in 2019 pre-Covid. Mr. Treger also serves as non-executive chairman of Audley Capital Advisors LLP, an investment advisory firm focused on natural resources which has a long track record of transforming and unlocking considerable value in the commodities extraction space, notable at Western Coal Corp which it restructured pre-bankruptcy and oversaw the sale a few years later at a value of \$3.3 billion, and at Mantos Copper, acquired from Anglo American for \$300 million and now worth well over \$1 billion. In addition, Mr. Treger holds external non-executive directorships with Broadwell Capital and BSL plc. He has a BA from Harvard College and an MBA from Harvard Business School.</p> <p>100%<sup>(7)</sup></p>
<p><b><u>Raffaele (Lucio) Genovese</u></b><sup>(1)(2)</sup> Switzerland</p> <p><b>Position with the Company:</b> Chair of the Board</p> <p><b>Director Since:</b> 2021</p> <p><b>Common Shares Held: 2,896,969</b><sup>(4)</sup></p>	<p><b>Principal Occupation:</b></p>	<p>CEO of Nage Capital Management and corporate director.</p>

	<b>Biographical Information:</b>	Mr. Lucio Genovese has over 30 years of experience in both the merchant and financial sector of the metals and mining industry. Mr. Genovese is the CEO of Nage Capital Management in Baar, Switzerland. He is also Chairman of Ferrexpo plc and a member of the board of directors of Nevada Copper Corp. He was previously employed at Glencore International AG where he held several senior positions including CEO of the CIS region and manager of the Moscow office. Mr. Genovese is a Chartered Accountant and has a B.Comm and B.Acc from the University of Witwatersrand, Johannesburg (South Africa).
	<b>Meeting Attendance Record for the Financial Year Ending December 31, 2022</b>	100%
<b><u>Tom Albanese</u></b> <sup>(2)</sup> New Jersey, United States <b>Position with the Company:</b> Director <b>Director Since:</b> 2021 <b>Common Shares Held:</b> Nil.	<b>Principal Occupation:</b>	Chief Executive Officer and director of Vendata Resources Plc and Vendata Limited, 2014-2017 and corporate director.
	<b>Biographical Information:</b>	Mr. Albanese previously served as Chief Executive Officer of Rio Tinto plc from 2007 to 2013 and as Chief Executive Officer and Director of Vedanta Resources plc and Vedanta Limited from 2014 to 2017. He currently serves as Lead Independent Director of Nevada Copper Corp and as non-executive director of Franco-Nevada Corporation and previously served on the Board of Directors of Ivanhoe Mines Limited, Palabora Mining Company and Turquoise Hill Resources Limited. He holds a Master of Science degree in Mining Engineering and a Bachelor of Science degree in Mineral Economics, both from the University of Alaska Fairbanks.
	<b>Meeting Attendance Record for the Financial Year Ending December 31, 2022</b>	100% <sup>(7)</sup>
<b><u>John Conlon</u></b> Ontario, Canada <b>Position with the Company:</b> Director <b>Director Since:</b> 2008 <b>Common Shares Held:</b> 6,130,971 <sup>(5)</sup>	<b>Principal Occupation:</b>	Corporate director.
	<b>Biographical Information:</b>	Mr. John Conlon has been involved in the mining industry since 1972, when he became an owner of a mining equipment supply company. In 1980, he became a major shareholder of a mining contracting company focusing on mine development and in 1995 he formed a company engaged in the business of repair and manufacturing of mining equipment. He was also a founding shareholder of Golden Reign Resources Ltd. (TSX.V-GRR). He serves or has served as a director of several companies including Cambrian Mining Plc (CBM: AIM), Mandalay Resources Corp. (MND: TSX), Coal International Plc, Xtract Energy Plc (XTR: LSE), and Western Canadian Coal Corp.

	<b>Meeting Attendance Record for the Financial Year Ending December 31, 2022</b>	100%
<b>Margot Naudie</b> <sup>(1)</sup> Ontario, Canada  <b>Position with the Company:</b> Director  <b>Director Since:</b> 2022  <b>Common Shares Held:</b> 180,000 <sup>(6)</sup>	<b>Principal Occupation:</b>	President of Elephant Capital Inc. and corporate director.
	<b>Biographical Information:</b>	Ms. Margot Naudie is a seasoned 25-year capital markets professional with expertise as Senior Portfolio Manager for North American and global natural resource portfolios. She has held senior roles at leading multi-billion dollar asset management firms including TD Asset Management, Marret Asset Management Inc. and CPP Investment Board. Ms. Naudie is the President of Elephant Capital Inc. as well as Co-Founder of Abaxx Technologies Inc. She sits on a number of public and private company boards. Ms. Naudie holds an MBA from Ivey Business School and a BA from McGill University. She is also a Chartered Financial Analyst.
	<b>Meeting Attendance Record for the Financial Year Ending December 31, 2022</b>	100%
<b>Sharon Fay</b> <sup>(1)(2)</sup> New York, USA	<b>Principal Occupation:</b>	Chief Responsibility Officer (June 2020 – June 2021) and Head of Equities (2010 – June 2020), AllianceBernstein, and corporate director.

<b>Position with the Company:</b> Director <b>Director Since:</b> 2022 <b>Common Shares Held:</b> 506,000	<b>Biographical Information:</b>	Ms. Sharon Fay is an accomplished leader with over 35 years' experience in the investment industry. For 20 years, she served as a research analyst and portfolio manager for North American, European and, ultimately, global portfolios for AllianceBernstein. She founded the firm's London office, where she served for nine years before returning to the US to become Head of Equities, leading the firm's research analysts, portfolio managers and traders. Before retiring from AllianceBernstein in 2021, she served as the firm's first Head of Responsibility. During her tenure she created a strategy and built the Corporate Responsibility and Responsible Investment teams, propelling the firm as a leader in the field. She is seasoned at evaluating companies' value creation strategies, successfully leading a global business, and attracting, developing and retaining top talent. In addition, Ms. Fay is a Chartered Financial Analyst and has a BA from Brown University and an MBA from Harvard Business School.
	<b>Meeting Attendance Record for the Financial Year Ending December 31, 2022</b>	100% <sup>(7)</sup>

- (1) Member of the Audit Committee.
- (2) Member of the Investment Committee.
- (3) Mr. Treger also holds 2,303,500 Common Share warrants, stock options to purchase 1,924,466 Common Shares and 3,386,001 EIUs. In addition, Kings Chapel holds 17,966,307 Common Shares and 11,011,948 Common Share warrants. Mr. Treger is a beneficiary of a family trust associated with Kings Chapel.
- (4) Mr. Genovese also holds options to purchase 430,611 Common Shares and 482,163 EIUs.
- (5) Consists of 5,123,061 Common Shares held by Mr. Conlon and 1,007,910 Common Shares held by 1662287 Ontario Inc. (a company controlled by Mr. Conlon). In addition, Mr. Conlon holds 180,919 Common Share warrants.
- (6) Consists of 100,000 Common Shares held by Ms. Naudie and 80,000 Common Shares held by Elephant Capital Inc. (a company controlled by Ms. Naudie). In addition, Elephant Capital Inc. holds 80,000 Common Share warrants.
- (7) Recused from one meeting.

To the knowledge of the Company, other than as outlined below, no proposed director of the Company is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was the subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person was acting in the capacity as director, chief executive officer or chief financial officer;
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Messrs. Jonker and Conlon were directors of the Company at the time it filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) in November 2013.

On October 17, 2017, the SEC filed civil charges against each of Rio Tinto PLC, Tom Albanese and the former CFO of Rio Tinto PLC, alleging, among other things, violations of the anti-fraud, reporting, books and records and internal control provisions of U.S. federal securities laws in connection with conduct at Rio Tinto PLC and certain of its subsidiaries while Mr. Albanese was the CEO of Rio Tinto PLC and prior to his becoming a director of the Corporation. On March 2, 2018, the Australian Securities and Investments Commission (“ASIC”) commenced civil proceedings in the Federal Court of Australia against each of Rio Tinto Limited, Tom Albanese and the former CFO of Rio Tinto Limited relating to statements which ASIC alleged were misleading contained in the annual report of Rio Tinto Limited for 2011. On May 1, 2018, ASIC expanded the proceedings commenced on March 2, 2018 in the Federal Court of Australia. The expanded proceedings related to Rio Tinto Limited’s alleged failure to recognize an impairment of a wholly owned subsidiary, Rio Tinto Coal Mozambique in its 2012 Interim Financial Statements. On February 28, 2022, ASIC amended the proceedings, dropping all of its claims for relief against Mr. Albanese and the former CFO. On March 7, 2022, the Federal Court of Australia entered an order that, among other things, dismissed the proceedings in their entirety against Mr. Albanese and the former CFO. There were no findings of liability or contraventions on the part of Mr. Albanese (or the former CFO). The ASIC proceedings are concluded. The Company is aware of the SEC allegations and will continue to monitor the progress of the situation.

### **Appointment and Remuneration of Auditors**

Management of the Company is proposing to appoint PricewaterhouseCoopers LLP as auditors of the Company until the next annual general meeting of shareholders at a remuneration to be fixed by the Board. In 2009, PricewaterhouseCoopers LLP replaced Ernst & Young LLP, Chartered Accountants, who were the auditors for the Company since 2004. Prior to 2004, PricewaterhouseCoopers LLP were auditors for the Company.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP as the auditors of the Company until the next annual general meeting of shareholders and authorizing the Board to fix their remuneration.

### **Approval and Confirmation of Equity Incentive Plan**

The Company has adopted a “rolling” equity incentive plan (the “**Equity Incentive Plan**”) for officers, directors, employees and consultants of the Company. The Equity Incentive Plan provides for, among other things, the issue of equity-based incentive awards to acquire up to 10% of the issued and outstanding Common Shares as at the date of the grant, inclusive of the shares reserved for issuance under the Legacy Option Plan (as defined below). This is a “rolling” equity incentive plan as the number of Common Shares reserved for issue pursuant to the grant of equity-based incentive awards will increase as the number of issued and outstanding Common Shares increases. If an equity-based incentive award expires or otherwise terminates for any reason, the number of Common Shares in respect of that expired or terminated award shall again be available for the purpose of the Equity Incentive Plan. The principal features of the Equity Incentive Plan are described in more detail below in the section entitled “*Equity Compensation Plan Information – Key Terms of the Equity Incentive Plan*”.

The Equity Incentive Plan was last approved and confirmed by the shareholders of the Company at the annual and special meeting of shareholders held on October 27, 2022.

The Equity Incentive Plan is a “rolling” equity incentive plan under Policy 4.4 of the TSV Venture Exchange (the “TSXV”). An issuer listed on the TSXV is required to obtain the approval of its shareholders for a “rolling” equity incentive plan at each annual meeting of shareholders. Accordingly, shareholders will be asked to approve the following resolution:

#### **“BE IT RESOLVED THAT:**

1. the equity incentive plan of the Company as described in the management information circular dated September 27, 2023, be and it is hereby confirmed and approved”

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the confirmation and approval of the Company’s Equity Incentive Plan.

## Other Business

The Company knows of no matter to come before the annual meeting of shareholders other than the matters referred to in the Notice of Meeting.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The Company does not have in place any formal objectives, criteria or analysis for determining or assessing the compensation of its executive officers and directors, nor does it have a compensation committee.

All compensation matters relating to officers or directors are currently dealt with by the Board.

### Elements of Director and Named Executive Officer Compensation

During the financial year ended December 31, 2022, the Company's only Named Executive Officers (as defined in Form 51-102F6V) ("NEOs") were Julian Treger (Chief Executive Officer), and Abraham Jonker (Chief Financial Officer and Corporate Secretary). The following table sets forth direct and indirect compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and services to be provided, directly or indirectly, to the Company, for each of the two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Julian Treger Chief Executive Officer, Director	2022	\$467,927	N/A	N/A	N/A	N/A	\$467,927
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Abraham Jonker Chief Financial Officer and Corporate Secretary	2022	\$251,808	N/A	N/A	N/A	N/A	\$251,808
	2021	N/A	N/A	N/A	N/A	N/A	N/A

### Compensation Risk

The Board and its committees, as applicable, have not proceeded to an evaluation of the implications of the risks associated with the Company's compensation policies and practices.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted to each of the Company's NEOs and directors during the most recently completed financial year.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Julian Treger</b> Chief Executive Officer, Director	Equity Incentive Units <sup>(1)</sup>	797,342	April 19, 2022	N/A	0.55	0.465	N/A
	Equity Incentive Units <sup>(2)</sup>	282,828	September 7, 2022	N/A	0.46	0.465	N/A
	Options	569,530	April 19, 2022	0.55	0.55	0.465	April 19, 2032
	Options	202,020	September 7, 2022	0.46	0.46	0.465	September 7, 2032
<b>Raffaele (Lucio) Genovese</b> Director	Equity Incentive Units <sup>(3)</sup>	199,335	April 19, 2022	N/A	0.55	0.465	N/A
	Options	142,382	April 19, 2022	0.55	0.55	0.465	April 19, 2032

- (1) Each equity incentive unit (“EIU”) entitles the holder to receive, upon the vesting and settlement thereof, a cash payment equal to the five day volume weighted average closing price of the Common Shares as of the vesting date (or, at the Company’s option, one Common Share for every EIU, provided that such Common Shares would not be issued from treasury but purchased by or on behalf of the Company over the facilities of the primary stock exchange on which the Common Shares are then listed). These EIUs vest on the earlier of (i) August 30, 2024, provided that the 30 day volume weighted average trading price of the Common Shares as of that date on the principal stock exchange on which they are then traded is at least \$0.50 (adjusted as required to give effect to any stock splits, consolidations or other reorganizations of the Common Shares after the date the EIU was issued) and (ii) the date on which the Company completes a change of control, provided in either case that Mr. Treger remains engaged by the Company as Executive Chair or CEO as of the vesting date.
- (2) These EIUs have the same vesting and settlement terms as the EIUs issued to Mr. Treger on April 19, 2022.
- (3) These EIUs have the same settlement terms as the EIUs issued to Mr. Treger and vest on the earlier of (i) September 30, 2024, provided that the 30 day volume weighted average trading price of the Common Shares as of that date on the principal stock exchange on which they are then traded is at least \$0.50 (adjusted as required to give effect to any stock splits, consolidations or other reorganizations of the Common Shares after the date the EIU was issued) and (ii) the date on which the Company completes a change of control, provided in either case that Mr. Genovese continues to be a member of the Board as of the vesting date.

### Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by directors or NEOs during the most recently completed financial year.

### Pension Plan Benefits

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



## Employment, Consulting and Management Agreements

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were performed by a director or NEO.

Effective April 11, 2022, the Company entered into an employment agreement with Julian Treger pursuant to which the Company agreed to retain Mr. Treger as CEO. Pursuant to the employment agreement, the Company agreed to pay Mr. Treger \$650,400 per annum. Mr. Treger may terminate the agreement at any time with three months' written notice. The Company may terminate the agreement at any time with cause, or without cause by giving Mr. Treger 12 months' notice or salary in lieu of notice (or, if termination occurs within 12 months of the completion of a change of control, 24 months' notice or salary in lieu of notice). In addition, Mr. Treger's EIU's would vest upon completion of a change of control of the Company.

Effective April 11, 2022, the Company entered into an employment agreement with Abraham Jonker pursuant to which the Company agreed to retain Mr. Jonker as CFO. Pursuant to the employment agreement, the Company agreed to pay Mr. Jonker \$350,004 per annum. Mr. Jonker may terminate the agreement at any time with three months' written notice. The Company may terminate the agreement at any time with cause, or without cause by giving Mr. Jonker 12 months' notice or salary in lieu of notice (or, if termination occurs within 12 months of the completion of a change of control, 24 months' notice or salary in lieu of notice).

## EQUITY COMPENSATION PLAN INFORMATION

As at the end of the most recently completed financial year, the following compensation plans of the Company were in place under which equity securities of the Company were authorized for issuance other than the Equity Incentive Plan (as defined below).

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (C\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	2,455,077	0.41	1,520,265
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>2,455,077</b>	<b>0.41</b>	<b>1,520,265</b>

### Key Terms of the Equity Incentive Plan

The following is a summary of the key terms of the Equity Incentive Plan, which was approved by Shareholders at the Company's annual and special Meeting held on October 27, 2022. This summary is qualified in its entirety by the full text of the Equity Incentive Plan.

#### *Purpose*

The purpose of the Equity Incentive Plan is to, among other things: (i) provide the Company with an equity-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company, including its subsidiaries, (ii) reward directors, officers, employees and consultants that have been granted awards under the Equity Incentive Plan for their contributions toward the long-term goals and success of the Company, and (iii) enable

and encourage such directors, officers, employees and consultants to hold Common Shares as long-term investments and proprietary interests in the Company.

The Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of options, restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”), as described in further detail below. The following is a summary of the Equity Incentive Plan, which is qualified in its entirety by the full text of the Equity Incentive Plan.

#### *Shares Subject to the Equity Incentive Plan*

The Equity Incentive Plan is a “rolling” plan in that, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), it provides that the aggregate maximum number of Common Shares that may be reserved for issuance under the Equity Incentive Plan (the “**Reserved Shares**”), at any time, shall not exceed ten (10%) percent of the Company’s issued and outstanding Common Shares as at such time, inclusive of the shares reserved for issuance under the Company’s legacy incentive stock option plan (the “**Legacy Option Plan**”).

Following the Closing, all future awards will be issued pursuant to and governed by the Equity Incentive Plan and no future awards will be issued pursuant to or governed by the terms of the Legacy Option Plan.

To the extent any awards under the Equity Incentive Plan or the Legacy Option Plan are terminated or cancelled for any reason prior to exercise in full, the Common Shares subject to such awards (or any portion(s) thereof) shall be added back to the number of Common Shares reserved for issuance under the Equity Incentive Plan.

#### *Insider Participation Limit*

The Equity Incentive Plan provides that the aggregate number of Common Shares (a) issuable to Insiders at any time (under all of the Company’s security-based compensation arrangements, including the Existing Option Plan) cannot exceed ten (10%) percent of the Company’s issued and outstanding Common Shares, and (b) issued to Insiders within any one-year period (under all of the Company’s security-based compensation arrangements, including under the Legacy Option Plan) cannot exceed ten (10%) percent of the Company’s issued and outstanding Common Shares.

Additionally, for so long as the Common Shares are listed and posted for trading on the TSXV, (a) not more than two (2%) percent of the Company’s issued and outstanding Common Shares may be granted to any one consultant in any 12 month period, (b) investor relations service providers may not receive any awards other than options, (c) not more than an aggregate of two (2%) percent the Company’s issued and outstanding Common Shares may be granted in aggregate pursuant to options to investor relations service providers in any 12 month period, (d) unless the Company has obtained disinterested shareholder approval, not more than five (5%) percent of the Company’s issued and outstanding Common Shares may be issued to any one Person in any 12 month period and (e) unless the Company has obtained disinterested shareholder approval, the Company shall not decrease the exercise price or extend the term of options previously granted to Insiders.

Except for so long as the Shares are listed and posted for trading on the TSXV, any Common Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the Equity Incentive Plan.

#### *Administration of the Equity Incentive Plan*

The Plan Administrator (as defined in the Equity Incentive Plan) is determined by the Company’s board of directors (the “**Board**”). The Equity Incentive Plan may in the future be administered by the Board itself or delegated to a committee of the Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable

pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Equity Incentive Plan and may adopt administrative rules, regulations, procedures and guidelines governing the Equity Incentive Plan or any awards granted under the Equity Incentive Plan as it deems appropriate.

### *Eligibility*

All directors, officers, consultants and employees are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan will be determined in the discretion of the Plan Administrator.

### *Types of Awards*

Awards of options, RSUs, PSUs and DSUs may be made under the Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

### Options

An option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each option is granted, which exercise price must in all cases be not less than the Discounted Market Price (as defined in TSXV Policy 1.1) for so long as the Common Shares are listed and posted for trading on the TSXV. Subject to any accelerated termination as set forth in the Equity Incentive Plan, each option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of options, subject to the restrictions in the Equity Incentive Plan relating to options granted to investor relations service providers. Once an option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Plan Administrator has the right to accelerate the date upon which any option becomes exercisable. The Plan Administrator may provide at the time of granting an option that the exercise of that option is subject to restrictions, in addition to those specified in the Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. To the extent permitted by and otherwise subject to the rules and policies of the TSXV, a participant may, in lieu of exercising an option pursuant to an exercise notice, elect to surrender such option to the Company (a “**Cashless Exercise**”) in consideration for an amount from the Company equal to (i) the Market Price (as defined in the Equity Incentive Plan) of the Common Shares issuable on the exercise of such option (or portion thereof) as of the date such option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Company indicating the number of options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the Equity Incentive Plan, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having an aggregate fair market value (based on the Market Price on the date of exercise) equal to the In-the-Money Amount. Any options surrendered in connection with a Cashless Exercise will not be added back to the number of Common Shares reserved for issuance under the Equity Incentive Plan.

### Restricted Share Units

A RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs (including the elected amount, as applicable), as determined by the Plan Administrator, by (b) the greater of (i) the Discounted Market Price of a Common Share on the date of grant, or and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the United States Internal Revenue Code of 1986 (as amended, the “**Code**”), to the extent applicable.

Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

### Performance Share Units

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a participant’s employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

### Deferred Share Units

A DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation (including annual retainer) paid by the Company to a director in a calendar year for service on the Board (the “**Director Fees**”) that are to be payable in the form of DSUs. In addition, each director is given, subject to the provisions of the Equity Incentive Plan, the right to elect to receive a portion of the cash Director Fees owing to them in the form of DSUs.

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that, for so long as the Common Shares are listed and posted for trading on the TSXV, no DSUs may vest before the date that is one year following the Date of Grant. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any director fees that are paid in DSUs, by (b) the Market Price of a Common Share on the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested DSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator in its sole discretion. Any cash payments made under the Equity Incentive Plan by the Company to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date.

#### *Dividend Equivalents*

Unless otherwise determined by the Plan Administrator, awards of RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per CoTec Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places. For clarity, any dividend equivalents granted shall be included in calculating the limits prescribed by the Equity Incentive Plan. If the Company does not have a sufficient number of available Common Shares under the Equity Incentive Plan to grant such dividend equivalents, the Company shall make such dividend payment in cash.

#### *Black-out Periods*

If an award expires during a routine or special trading Blackout Period (as defined in the Equity Incentive Plan), then, notwithstanding any other provision of the Equity Incentive Plan, unless the delayed expiration would result in negative tax consequences to the holder of the award, the award shall expire five business days after the Blackout Period is lifted by the Company; and provided that, (i) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information (as defined in the Equity Incentive Plan), and (ii) the automatic extension of an award will not be permitted where the participant or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities.

#### *Term*

While the Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, other than the options, which are subject to a maximum term of 10 years from the date of grant, subject to certain adjustments, as discussed below, shareholder approval is required to permit an option award to be exercisable beyond 10 years from its date of grant, except where an expiry date would have fallen within a Blackout Period of the Company. All awards must vest and settle in accordance with the provisions of the Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

#### *Termination of Employment or Services*

The following table describes the impact of certain events upon the participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, consulting agreement, award agreement or other written agreement and subject to applicable employment standards legislation or regulations applicable to the participant's employment or other engagement with the Company or any of its subsidiaries:

Event	Provisions
Termination for Cause  Resignation  Termination without Cause	<ul style="list-style-type: none"> <li>Any unvested awards held that have not been exercised, settled or surrendered as of the Termination Date (as defined in the Equity Incentive Plan) shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> <li>Any vested awards may, subject to the terms of the Equity Incentive Plan be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> </ul>
Disability	<ul style="list-style-type: none"> <li>Any award held by the participant that has not vested as of the date of the Disability (as defined in the Equity Incentive Plan) of such participant shall vest on such date and may, subject to the terms of the Equity Incentive Plan, be exercised, settled or surrendered to the Company by the participant at any time until the expiration date of such award, provided that: (i) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance (as defined in the Equity Incentive Plan); and (ii) any awards subject to section 409A of the Code awarded to U.S. Taxpayers (as defined in the Equity Incentive Plan) shall be exercised, settled or surrendered within the same calendar year as the participant’s “separation from service”. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> </ul>
Death	<ul style="list-style-type: none"> <li>Any award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may, subject to the terms of the Equity Incentive Plan, be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the first anniversary of the date of the death of such participant, provided that (i) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the date of death of such participant, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance; and (ii) any awards subject to section 409A of the Code awarded to U.S. Taxpayers shall be exercised, settled or surrendered within the same calendar year as the participant’s death. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> </ul>
Retirement	<ul style="list-style-type: none"> <li>Any award held by the participant that has not vested as of the date of Retirement (as defined in the Equity Incentive Plan) shall continue to vest in accordance with its terms and, if any such awards vest, shall be exercised, settled or surrendered by the Company to the participant provided that (a) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance, (b) any awards subject to section 409A of the Code awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year as the participant’s “separation from service”; and (c) for so long as the Shares are listed and posted for trading on the TSXV, any such award shall expire within a reasonable period,</li> </ul>

Event	Provisions
	<p>not exceeding twelve (12) months from the Termination Date, following which the participant shall not be entitled to any damages or other amounts in respect of such expired awards.</p> <ul style="list-style-type: none"> <li>• Notwithstanding the foregoing, if, following his or her Retirement, the participant breaches the terms of any restrictive covenant in the participant's written or other applicable employment or other agreement with the Company or a subsidiary of the Company, any award held by the participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> </ul>

The Plan Administrator may, in its discretion, at any time prior to, or following the events listed above, or in an employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and an individual receiving an award under the Equity Incentive Plan, permit the acceleration or vesting of any or all awards or waive termination of any or all awards, all in the manner and on the terms as may be authorized by the Plan Administrator; provided that, for so long as the Common Shares are listed and posted for trading on the TSXV, (a) no acceleration of the vesting of options granted to investor relations service providers is permitted without prior TSXV acceptance; and (b) no awards (other than options) may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to TSXV policies.

#### *Change in Control*

Subject to certain rules and restrictions of the TSXV, under the Equity Incentive Plan, except as may be set forth in an employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

- If within 12 months following the completion of a transaction resulting in a Change in Control (as defined in the New Equity Incentive Plan), a participant's employment, consultancy or directorship is terminated without Cause (as defined in the Equity Incentive Plan) or the participant resigns with Good Reason (as defined in the Equity Incentive Plan):
  - a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction, the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest, which vested awards may be exercised, settled or surrendered to the Company by such participant at any time during the period that terminates on the earlier of: (A) the expiration date of such award; and (B) the date that is 90 days after the Termination Date, provided that (1) with respect to any PSU held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance, and (2) any awards subject to section 409A of the Code awarded to U.S. Taxpayers, shall, if such awards vest, be exercised, settled or surrendered within the same calendar year as the participant's "separation from service", with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards; and
  - any vested awards may, subject to the terms of the New Equity Incentive Plan, be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (A) the expiration date of such award; and (B) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.

- Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the TSXV or any other exchange, the Company may terminate all of the awards, other than an option held by a Canadian Taxpayer (as defined in the Equity Incentive Plan) for the purposes of the Tax Act, granted under the Equity Incentive Plan at the time of, and subject to the completion of, the Change in Control transaction by paying to each holder an amount equal to the fair market value of his or her respective award (as determined by the Plan Administrator, acting reasonably) at or within a reasonable period of time following completion of such Change in Control transaction.

#### *Non-Transferability of Awards*

Except as permitted by the Plan Administrator, and to the extent that certain rights may pass to a beneficiary or legal representative upon the death of a participant by will or as required by law, no assignment or transfer of awards granted under the Equity Incentive Plan, whether voluntary, involuntary, by operation of law or otherwise, is permitted.

#### *Amendments to the Equity Incentive Plan*

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting shares, amend, modify, change, suspend or terminate the Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code, as amended, shall be null and void *ab initio*.

Notwithstanding the above, and subject to the rules of the TSXV, the approval of shareholders is required to effect any of the following amendments to the Equity Incentive Plan:

- (a) increasing the percentage of the Company's issued and outstanding Common Shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to Insiders;
- (c) reducing the exercise price of an option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) extending the term of an option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within five business days following the expiry of such a blackout period);
- (e) permitting an option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (f) increasing or removing the limits on the participation of non-employee directors;
- (g) permitting awards to be transferred to a person;
- (h) changing the eligible participants;



- (i) pertaining to a matter expressly subject to approval of the shareholders pursuant to the applicable rules of the Exchange; and
- (j) deleting or otherwise limiting the amendments which require approval of the shareholders.

Except for the items listed above, amendments to the Equity Incentive Plan will not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) adding covenants of the Company for the protection of the participants, (c) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (d) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

#### *Anti-Hedging Policy*

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

#### **Legacy Option Plan**

The following is a summary of the key terms of the Legacy Option Plan, which was approved by Shareholders at the Company's annual and special Meeting held on September 20, 2021. Following the adoption and approval of the Equity Incentive Plan, no further equity incentive awards are issued under the Legacy Option Plan.

The maximum number of Common Shares issuable under the Legacy Option Plan is fixed at 2,355,077.

Options issued under the Legacy Option Plan are exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Common Shares prevailing on the day that the option is granted less an applicable discount, if any, permitted by the policies of the TSXV and approved by the Board. The Legacy Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion. The Legacy Option Plan provides that if a change of control, as defined therein, occurs, all Common Shares issuable subject to options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The Legacy Option Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options, and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

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

None of the directors or executive officers of the Company has been indebted to the Company or any of its subsidiaries during the financial year ended December 31, 2022 or the current financial year.

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

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

On June 29, 2022, the Company entered into an unsecured loan agreement with Kings Chapel International Ltd. ("**Kings Chapel**") for an amount of GBP500,000 or approximately \$781,000 ("**Kings Chapel Loan 1**"). The purpose of the Kings

Chapel Loan 1 was to fund the Company's investment in Mkango Resources Limited ("**Mkango**"). Kings Chapel is associated with the Company's CEO, Julian Treger. The Kings Chapel Loan bears interest of 5% per year compounded annually and shall be due and payable on the maturity date, June 29, 2024. 50% of the loan principal was repaid on January 11, 2023, and the remaining 50% was repaid on February 2, 2023. GBP14,110 in accrued interest remains outstanding as of June 30, 2023.

On September 6, 2022, the Company entered into a second unsecured loan agreement with Kings Chapel for an amount of GBP250,000 or approximately \$378,000 ("**Kings Chapel Loan 2**"). The purpose of the Kings Chapel Loan 2 was to partly fund the Company's further investment in Mkango. 50% of the loan principal was repaid on January 11, 2023, and the remaining 50% was repaid on February 2, 2023. GBP4,692 in accrued interest remains outstanding as of June 30, 2023.

On November 23, 2022, the Company entered into a third unsecured loan agreement with Kings Chapel for an amount of \$300,000 ("**Kings Chapel Loan 3**"). The purpose of the Kings Chapel Loan 3 was to fund the Company's investment in International Zeolite Corp. 100% of the loan principal was repaid on February 1, 2023, and \$4,027 in accrued interest remains outstanding as of June 30, 2023.

On February 28, 2023, the Company entered into a fourth unsecured loan agreement with Kings Chapel for an amount of \$475,000 ("**Kings Chapel Loan 4**"). The purpose of the Kings Chapel Loan 4 was to fund the Company's investment in MagIron LLC ("**MagIron**"). There was \$8,107 in accrued interest outstanding under the Kings Chapel Loan 4 as of June 30, 2023.

On May 3, 2023, the Company entered into a fifth unsecured loan agreement with Kings Chapel for an amount of US\$1,500,000 or approximately \$2,026,000 ("**Kings Chapel Loan 5**"). The purpose of the Kings Chapel Loan 5 was to fund the Company's investment in Ceibo Inc. There was \$31,327 in accrued interest outstanding under the Kings Chapel Loan 5 as of June 30, 2023.

On June 15, 2023, the Company entered into a sixth unsecured loan agreement with Kings Chapel for an amount of US\$120,000 or approximately \$159,000 ("**Kings Chapel Loan 6**" and, collectively with the Kings Chapel Loans 1 through 5, the "**Kings Chapel Loans**"). The purpose of the Kings Chapel Loan 6 was to fund the Company's additional investment in MagIron.

The Kings Chapel Loans all carry the same terms as the Kings Chapel Loan 1.

On July 20, 2023, the Company entered into a loan note for an amount of USD1,200,000 or approximately \$1,590,000 with Kings Chapel. The loan note attracts interest at 10% per annum, is unsecured and is repayable on the earlier of the date on which the Company receives gross proceeds from equity financing transactions of at least \$5 million and July 10, 2025. The loan will be drawn down in three tranches.

## CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") require that each reporting issuer annually disclose its corporate governance system with reference to the Guidelines or NI 58-101. The Company has reviewed its own corporate governance practices in light of these Guidelines. Generally, the Company's practices comply with the Guidelines, however, the Board considers that some of the Guidelines are not suitable for the Company at its current stage of development. The Board is committed to sound corporate governance practices in the interest of its shareholders and to effective and efficient decision making. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses.

The following is a summary of the Company's approach to corporate governance with reference to NI 58-101 and the Guidelines.

## Independence of Members of Board

The Guidelines recommend that a majority of directors of a listed corporation be “independent” as defined by National Instrument 52-110 (“NI 52-110”). Five out of six of the directors of the current and proposed Board are independent. Julian Treger is not independent because he is the Chief Executive Officer of the Company.

## Term Limits

The Company does not have a mandatory retirement policy or term limit policy for members of the Board and rather assesses board succession as part of its annual board and committee assessments. The Company considers it important to retain directors with significant and unique business experience in the industry and believes that directors who hold significant investments in the Company are strongly motivated to engage in independent thinking and analysis and bring a long-term perspective which is beneficial to the Company and all of its shareholders.

## Management Supervision by Board

The size of the Company is such that all the Company’s operations are conducted by a small management team which is also represented on the Board. Any director may submit items for inclusion in the agenda of matters to be discussed at meetings of the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the Company’s audit committee (the “**Audit Committee**”), which is comprised by a majority of independent directors. Moreover, the independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board.

## CEO Position Description

The CEO does not have a written position description. The Board expects the CEO and his management team to be responsible for management of the Company's strategic and operational agenda and for the execution of the decisions of the Board. The Board expects to be advised on a regular basis as to the results being achieved, and to be presented for approval, alternative plans and strategies, in keeping with evolving business conditions. In addition to those matters which by law must be approved by the Board, the prior approval of the Board, or of a committee of the Board to which approval authority has been delegated by the Board, is required for all actions proposed to be taken by the Company which are not in the ordinary course of its operations. In particular, the Board approves the appointment of all executive officers of the Company and approves all material transactions that are not in the ordinary course of business.

## Directorships

Certain of the directors are presently directors of one or more other reporting issuers as follows:

Name of Director	Name of Other Reporting Issuer(s)
Raffaele (Lucio) Genovese	Ferrexpo plc and Nevada Copper Corp.
Tom Albanese	Franco Nevada and Nevada Copper Corp.
Margot Naudie	Abaxx Technologies Inc., Amerigo Resources Ltd., Base Carbon Corp., Osino Resources and Treasury Metals Inc.

## Orientation and Continuing Education

At present, the Board does not provide an official orientation or training program to its new directors. Members of the Board have had solid experience in the industry as well as experience in acting as a director of public or private companies,

or both. New Board members are provided with information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies, access to all of the publicly filed documents of the Company and complete access to management and the Company's professional advisors.

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments and changes in legislation with the Company's assistance, to attend industry seminars and to visit the Company's operations. The Company's legal counsel are also made available to the directors to assist them in better understanding what their legal responsibilities are.

### **Ethical Business Conduct**

The Company has adopted a Code of Business Conduct and Ethics for directors, managers, officers and employees. The Company requires the highest standards of professional and ethical conduct from its directors, managers, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, informal discussion is had amongst the Board, management and employees respecting such matters as, the retention of confidential information, insider trading rules, the obligation to declare conflicts of interests, the exercise of fair dealings with suppliers and other third parties and the necessity to comply with applicable laws, regulations and rules. The management of the Company is responsible for ensuring that the provisions of the Code of Business Conduct and Ethics are complied with.

### **Nomination of Directors**

The Board has responsibility for identifying and assessing potential Board candidates. Recruitment of new directors has generally resulted from recommendations made by directors, management and shareholders. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

### **Compensation of Directors and NEOs**

The directors decide as a Board the compensation for the Company's directors and NEOs on an annual basis. Compensation payable is determined by considering compensation paid for directors and NEOs of companies of similar size and stage of development and determining an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and NEOs while taking into account the financial and other resources of the Company. In setting the compensation, the performance of each NEO is reviewed in light of the Company's objectives and other factors that may have impacted the success of the Company.

### **Board Committees**

#### *Audit Committee*

The Audit Committee is comprised of Raffaele (Lucio) Genovese (Chair), Sharon Fay and Margot Naudie, all of whom are financially literate and independent directors.

Mr. Genovese is a Chartered Accountant, with a B.Comm and B.Acc from the University of Witwatersrand, Johannesburg (South Africa), and has over 30 years of experience in both the merchant and financial sector of the metals and mining industry. Mr. Genovese is currently the CEO of Nage Capital Management in Baar, Switzerland. He is also the Chairman of Ferrexpo plc and a member of the board of directors of Nevada Copper Corp. He was previously employed at Glencore International AG where he held several senior positions including CEO of the CIS region and manager of the Moscow office.

Ms. Fay is a Chartered Financial Analyst and has a BA from Brown University and an MBA from Harvard Business School. She is an accomplished leader with over 35 years' experience in the investment industry. For 20 years, she served as a research analyst and portfolio manager for North American, European and, ultimately, global portfolios for AllianceBernstein. She founded the firm's London office, where she served for nine years before returning to the US to become Head of Equities, leading the firm's research analysts, portfolio managers and traders. Before retiring from AllianceBernstein in 2021, she served as the firm's first Head of Responsibility. During her tenure she created a strategy

and built the Corporate Responsibility and Responsible Investment teams, propelling the firm as a leader in the field. She is seasoned at evaluating companies' value creation strategies, successfully leading a global business, and attracting, developing and retaining top talent.

Ms. Naudie is a Chartered Financial Analyst with over 25 years of experience in the capital markets, working as a Senior Portfolio Manager for North American and global natural resource portfolios. She has held senior roles at leading multi-billion dollar asset management firms including TD Asset Management, Marret Asset Management Inc. and CPP Investment Board. Ms. Naudie is the President of Elephant Capital Inc. as well as Co-Founder of Abaxx Technologies Inc. She sits on a number of public and private company boards and holds an MBA from Ivey Business School and a BA from McGill University.

The Audit Committee oversees the accounting and financial reporting practices and procedures of CoTec, and the audits of CoTec's financial statements. The Audit Committee assists the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. The Audit Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements, (ii) review and appraise the performance of the Company's external auditors, and (iii) provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

#### *Investment Committee*

The Investment Committee is comprised of Julian Treger (Chair), Raffaele (Lucio) Genovese, Tom Albanese and Sharon Fay.

The Investment Committee is responsible for evaluating all potential investment opportunities. In assessing potential investments, the Investment Committee will consider whether or not such investments fit the investment and corporate objectives of the Company in accordance with the investment evaluation process and the Company's investment policies generally. The investment evaluation process may also require the Investment Committee to conduct preliminary due diligence after which a report of their findings will be presented to the Board for consideration.

The Investment Committee also monitors the Company's investment portfolio on an ongoing basis, reviews the status of the Company's investments and provides recommendations to the Board from time to time. The Investment Committee conducts quarterly reviews of the Company's investment portfolio in order to assess performance and market conditions.

#### **Assessments**

The Board as a whole helps to assess the performance of the Board, its committees, and its individual directors. Due to the Company's stage of development and the limited number of individuals on the Board, the Board has not implemented a formal process for assessing effectiveness at this time. The Board plans to continue evaluations on an *ad hoc* basis, including monitoring the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

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

The Board has not adopted any written policy relating to the identification and nomination of women directors or officers. Similarly, the Board has not adopted a target regarding women on the Board or in executive officer positions of the Company. Given the size of the Company, the Board has determined that it is not currently necessary or practicable to implement a policy concerning diversity or to establish measurable objectives for achieving gender diversity. The Board will consider and review matters relating to diversity, including whether it is necessary to establish formal policies and objectives as the Company matures. As at the date hereof, two of the members of the Board are women and none of the executive officers of the Company is a woman.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.cotec.ca](http://www.cotec.ca). Shareholders may contact the Company to request copies of the Company's financial statements and Management Discussion and Analysis for the financial year ending December 31, 2022, and any documents incorporated by reference herein without charge by email at [braam.jonker@cotec.ca](mailto:braam.jonker@cotec.ca). Financial information regarding the Company is provided in the Company's comparative financial statements and the related Management's Discussion and Analysis for its most recently completed financial year.

## APPROVAL OF DIRECTORS

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

DATED at Vancouver, British Columbia as at the 27<sup>th</sup> day of September, 2023.

By Order of the Board of Directors

*"Raffaele (Lucio) Genovese"*

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Raffaele (Lucio) Genovese

Chair