

CANADA RARE EARTH CORP.

(the “Company”)

MANAGEMENT INFORMATION CIRCULAR

As at November 14, 2023
unless otherwise noted

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Canada Rare Earth Corp. (“CREC” or the “Company”), at the time and place and for the purposes set forth in the Notice of Meeting.

Note: The term "shareholder" as defined in the *Business Corporations Act* S.B.C. 2002, c.57 (the "Act"), except in section 385, means a person whose name is entered in a securities register of a company as a registered owner of a share of the company or, until such an entry is made for the company:

- (a) in the case of a company incorporated before the coming into force of the Act, a subscriber, or
- (b) in the case of a company incorporated under the Act, an incorporator.

APPOINTMENT OF PROXYHOLDER

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the proxyholder for the shareholder (the “Registered Shareholder”). The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of CREC (the “Management Proxyholders”).

A Registered Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Registered Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Registered Shareholder.

The persons named in the accompanying Form of Proxy are nominees of CREC’s management. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the meeting may do so either by:**

- (a) STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY;
OR
- (b) BY COMPLETING ANOTHER PROPER FORM OF PROXY.

The completed proxy must be deposited at the office of Computershare Trust Company of Canada, 8th Floor, 100 University Ave., Toronto, Ontario M5J 2Y1, attention: Proxy Department not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing delivered to the office of Computershare Trust Company of Canada, Corporate Trust Department, or to the registered office of CREC, 2110, 650 West Georgia Street, Vancouver, BC V6B 4N8, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, or to the Chairman of the meeting or any adjournment thereof, or in any other manner provided by law.

VOTING OF PROXIES

If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted on any poll and where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will be voted on any poll in accordance with the specifications so made. IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE FORM OF PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR.

The form of proxy accompanying this Information Circular confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the meeting. As of the date of this Information Circular, the management of CREC knows of no such amendment or variation or matters to come before the meeting other than those referred to in the accompanying Notice of Meeting.

NON-REGISTERED HOLDERS

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of CREC are “non-registered” shareholders because the Shares they own are not registered in their own names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees of administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to CREC are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to CREC are referred to as “OBOs”.

In accordance with the requirements of National Policy 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*, of the Canadian Securities Administrators, CREC has elected to send the notice of meeting, this information circular and proxy (collectively the “Meeting Materials”) directly to the NOBOs, and indirectly through Intermediaries to the OBOs.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by

CREC or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

CREC is authorized to issue an unlimited number of Common Shares without par value (the “Common Shares”) and an unlimited number of preference shares without par value, of which 211,587,696 Common Shares are issued and outstanding.

Only the holders of Common Shares are entitled to vote at the Meeting and the holders of Common Shares are entitled to one vote for each Common Share held. The directors of CREC fixed **November 14, 2023** as the record date for the determination of the shareholders entitled to vote at the Meeting.

Each shareholder is entitled to one vote for each common share registered in his/her/its name on the list of shareholders.

To the knowledge of the directors and senior officers of the Company, the only persons or companies that beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company as at the date of the Record Date are:

Shareholder Name	Number of Shares Held	Percentage of Issued Shares
RareX Limited	24,579,658	11.60%

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

Other than as disclosed elsewhere herein, none of the following persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors:

- (a) any director or executive officer of CREC at any time since the commencement of CREC's last completed financial year;
- (b) any proposed nominee for election as a director of CREC; and
- (c) any associate or affiliate of any of the foregoing persons.

ANNUAL MEETING BUSINESS

Election of Directors

The number of directors on the board of directors is currently set at four. Management of the Company proposes to nominate the persons named in the following table for election as Directors of the Company. The term of each of the current directors of the Company will expire at the Meeting and each Director elected will hold office until the next Annual General Meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a Director. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees set out below. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following information concerning the proposed nominees has been furnished by each of them:

Name and Present Office Held	Director Since	# of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised at the Date of This Information Circular	Principal Occupation and if not at Present an Elected Director, Occupation During the Past Five (5) Years
Peter Shearing, CEO and Director ⁽²⁾⁽³⁾	September 2012	10,444,231	Mr. Shearing is CEO of the Company.
Tracy A. Moore, Director ⁽¹⁾	September 2012	12,580,807	Mr. Moore resigned as CEO of the Company in October 2023 and is now the Company's Director of Corporate Development.
Gordon Fretwell, Director ⁽¹⁾⁽²⁾⁽³⁾	December 2015	11,003,667	Mr. Fretwell is a self-employed solicitor in Vancouver practicing

Name and Present Office Held	Director Since	# of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised at the Date of This Information Circular	Principal Occupation and if not at Present an Elected Director, Occupation During the Past Five (5) Years
			primarily in the areas of corporate and securities law.
Mark Peters, Director ⁽¹⁾⁽²⁾⁽³⁾	March 2017	82,500	Mr. Peters is a CPA with over 20 years' experience in finance and taxation, working primarily with Canadian and US public corporations. He is the CFO of Hunter Dickinson Services Inc. (HDSI), a diversified global mining group with over 25 years' success in mineral development. Mr. Peters is also CFO of Northern Dynasty Minerals Ltd., a publicly traded company on the TSX.

NOTES:

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Corporate Governance Committee

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

The Company has established a number of committees, the current members of which are as follows:

Audit	Compensation	Corporate Governance
Mark Peters Tracy Moore Gordon Fretwell	Gordon Fretwell Peter Shearing Mark Peters	Gordon Fretwell Peter Shearing Mark Peters

Audit Committee Disclosure

The Company is required to disclose certain information relating to its audit committee pursuant to National Instrument 52-110, *Audit Committees*. Reference is made to the Company's disclosure in their MD&A, which may be found on SEDAR at www.sedarplus.ca.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation of Officers

For the financial year ended March 31, 2023, the objective of the Company's compensation strategy was to ensure that compensation for its Named Executive Officers ("NEOs") was sufficiently attractive to recruit, retain and motivate high performing individuals to assist CREC in achieving its goals.

Compensation for the NEOs is composed primarily of three components: base fees, milestone-based incentives, and stock-based compensation.

Base Fees:

Base Fees form an essential component of CREC's compensation strategy as they are key to the Company remaining competitive. These fees are fixed and therefore not subject to uncertainty and can be used as the base to determine other elements of compensation and benefits.

In determining the base fees of executive officers, the Compensation Committee considers the following:

- a) the recommendations of the Chief Executive Officer of the Company (other than with respect to the compensation of the Chief Executive Officer);
- b) the particular responsibilities related to the position;
- c) the experience, expertise and level of the executive officer;
- d) the executive officer's length of service to the Company; and
- e) the executive officer's overall performance based on informal feedback.

There is no mandatory framework that determines which of the above-referenced factors may be more or less important and the emphasis placed on any of these factors is at the discretion of the Compensation Committee and may vary among the executive officers. In respect of the base fees paid to the Chief Executive Officer, the Board of Directors also broadly considered the performance of the Chief Executive Officer against the Company's performance in the previous year. The Company does not engage in benchmarking and did not focus on any particular performance metric.

Milestone-Based Incentives

The Compensation Committee, in collaboration with the Board of Directors and the NEOs, establishes specific milestone-based incentives in the form of cash pay-outs that are awarded to the NEOs once the specific milestones have been achieved. The milestones are established with specific timing and documentation requirements that determine whether the milestone-based incentive has been earned by the NEOs. These milestone-based incentives and the associated milestones are revised on an annual basis to align with the Company's objectives and strategy.

Long-Term Incentives:

The Compensation Committee believes that granting stock options to officers, directors, consultants and employees encourages retention and more closely aligns the interests of such key personnel with the interests of Shareholders while at the same time not drawing on the limited cash resources of the Company.

CREC does not utilize a set of formal objective measures to determine long-term incentive entitlements, rather, long-term incentive grants, such as stock options, to NEOs are determined in a discretionary manner on a case by case basis, having consideration to the number of options previously granted. There are no other specific quantitative or qualitative measures associated with option grants and no specific weights are assigned to any criteria individually, rather, the performance of the Company is broadly considered as a whole when determining the number of stock based compensation (if any) to be granted and CREC does not focus on any particular performance metric.

NEO Compensation

The Board of Directors:

- a) will periodically review the terms of reference for the Company's NEOs and recommend any changes;
- b) will review the compensation of the NEOs and make recommendations; and
- c) reviews, and if appropriate recommends for approval, any agreements between the Company and the NEOs, including protections in the event of a change of control or other special circumstances, as appropriate.

The components of the NEO compensation are the same as those that apply to the other senior executive officers of the Company, namely base salary and long-term incentives in the form of stock options.

The Compensation Committee reviews and ensures that the compensation of the NEOs complies with the principles underlying the Company's overall compensation philosophy. The Board of Directors believes that the compensation paid to each NEO during the most recently completed fiscal year was commensurate with the NEO's position, experience and performance.

Named Executive Officers

Pursuant to applicable securities regulations, the Company must disclose the compensation paid to its NEOs. This includes the Company's Chief Executive Officer, the Chief Operating Officer, the Company's Chief Financial Officer and the other three most highly compensated executive officers provided that disclosure is not required for those executive officers, other than the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, whose total compensation did not exceed **\$150,000**. During the fiscal year ended March 31, 2023, the Named Executive Officers were:

- (a) Tracy A. Moore, Chief Executive Officer (resigned as CEO October 12, 2023);
- (b) Peter R. Shearing, Chief Operating Officer; (appointed CEO October 12, 2023); and
- (c) Anthony Wong, Chief Financial Officer (resigned as CFO November 7, 2023).

The following table sets forth, for the periods indicated, the compensation of the Named Executive Officers.

Summary Compensation Table Lines do not add AND I thought the auditors increased Peter's compensation FYE March 31/23

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation* (\$)
					Annual incentive plans	Long-term incentive plans			
Tracy A. Moore Former President, CEO & Director ¹	2023	Nil	Nil	31,002 ⁽⁴⁾	Nil	Nil	Nil	204,000	235,002
	2022	Nil	Nil	100,645 ⁽⁵⁾	Nil	Nil	Nil	204,000	304,645
	2021	Nil	Nil	63,622 ⁽⁶⁾	Nil	Nil	Nil	204,000	267,622
Peter R. Shearing CEO and Director ²	2023	Nil	Nil	31,002 ⁽⁴⁾	Nil	Nil	Nil	204,000	235,002
	2022	Nil	Nil	100,645 ⁽⁵⁾	Nil	Nil	Nil	204,000	304,645
	2021	Nil	Nil	63,622 ⁽⁶⁾	Nil	Nil	Nil	204,000	267,622
Anthony Wong Former CFO ³	2023	Nil	Nil	16,503 ⁽⁴⁾	Nil	Nil	Nil	54,000	70,053
	2022	Nil	Nil	19,996 ⁽⁵⁾	Nil	Nil	Nil	7,500	27,496
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Senior management elected to defer a significant portion of their compensation in order for the Company to have greater amounts of working capital to support purchases and sales.

Notes:

- (1) Resigned as CEO & President October 12, 2023
- (2) Appointed as CEO October 12, 2023
- (3) Resigned as CFO October 12, 2023
- (4) Grant date fair value of the Options of \$0.06 per Option based on the Black Scholes option pricing model with the following assumptions dividend yield of 0%; volatility of 137.79% risk-free interest rate of 0.5%; and expected life of 5 years.
- (5) Grant date fair value of the Options of \$0.066 per Option based on the Black Scholes option pricing

model with the following assumptions: dividend yield of 0%; volatility of 126.15%; risk-free interest rate of 0.5%; and expected life of 5 years.

- (6) Grant date fair value of the Options of \$0.08 per Option based on the Black Scholes option pricing model with the following assumptions: dividend yield of 0% volatility of 158.99%; risk-free interest rate of 0.5%; and expected life of 5 years.

Incentive Plan Awards

The following table sets forth details for all awards currently outstanding for each of the NEOs at the end of the most recently completed financial year:

Name and principal position	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) (1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Tracy A. Moore	500,000	\$0.07	2027-04-11	Nil	Nil	Nil
Former President, CEO & Director	1,000,000	\$0.11	2026-03-12	Nil	Nil	Nil
	750,000	\$0.07	2025-10-26	Nil	Nil	Nil
Peter Shearing	500,000	\$0.07	2027-04-11	Nil	Nil	Nil
CEO and Director	1,000,000	\$0.11	2026-03-12	Nil	Nil	Nil
	750,000	\$0.07	2025-10-26	Nil	Nil	Nil
Anthony Wong	500,000	\$0.085	2026-08-16	Nil	250,000	Nil
Former CFO						

Incentive Plan Awards – Value Vested or Earned During the Year

Name and principal position		Option based awards – Value vested during the year (\$)	Share based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year
Tracy A. Moore Director	2023	31,002	Nil	Nil
	2022	100,645	Nil	Nil
	2021	437,500	Nil	Nil
Peter Shearing CEO and Director	2023	31,002	Nil	Nil
	2022	100,645	Nil	Nil
	2021	437,500	Nil	Nil
Anthony Wong Former CFO	2023	16,503	Nil	Nil
	2022	21,496	Nil	Nil
	2021	Nil	Nil	Nil

Pension Plan Benefits and Deferred Compensation Plans

The Company and its subsidiaries do not have any pension plan arrangements in place, nor do they have any deferred compensation plans.

Director Compensation

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year or subsequently, up to and including the date of this information circular.

The Company has a Stock Option Plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

The following table sets forth information concerning individual grants of options to purchase securities of the Company made during the most recently completed financial year to the Directors of the Company (not including compensation paid to NEO's, whose compensation as a director is fully reflected in the chart above entitled "*Summary Compensation Table*"):

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Gordon Fretwell	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mark Peters	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The following table sets forth details for all awards currently outstanding for each of the directors, not including the NEOs, at the end of the most recently completed financial year:

Name and principal position	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) (1) options (#)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Gordon Fretwell, Director	250,000	\$0.07	2027-04-11	Nil	Nil	Nil
	150,000	\$0.07	2025-10-26	Nil	Nil	Nil
	500,000	\$0.07	2024-03-22	Nil	Nil	Nil
Mark Peters, Director	250,000	\$0.07	2027-04-11	Nil	Nil	Nil
	150,000	\$0.07	2025-10-26	Nil	Nil	Nil
	200,000	\$0.07	2024-03-22	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year

Name and principal position	Year	Option based awards – Value vested during the year (\$)	Share based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year
Gordon Fretwell, Director	2023	14,757	Nil	Nil
	2022	7,592	Nil	Nil
Mark Peters, Director	2023	14,757	Nil	Nil
	2022	7,507	Nil	Nil

CORPORATE GOVERNANCE

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) and National Policy 58-201 Corporate Governance Guidelines (“NP 58-201”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices*, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

1. Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. 2 of the 4 members of the Board are independent: Gordon Fretwell and Mark Peters. The non-independent directors are Peter Shearing (CEO) and Tracy Moore.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company’s internal control processes and management information systems.

2. Directorships

Gordon Fretwell, director, is also a director of other public companies as follows:

Gordon Fretwell	Pucara Gold Ltd., RE Royalties Ltd., Coppernico Metals Inc.
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Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the individuals named above is or has been within the past ten years a director, chief executive officer or chief financial officer of any company that:

- a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) was subject to a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, none of the individuals named above is or has been within the past ten years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or has, within the past ten years 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 assets of the proposed director.

Mr. Fretwell was a director of TSX-V listed Lignol Energy Corporation (“**Lignol**”) until May 1, 2015. Lignol went into receivership on August 22, 2014.

3. Orientation and Continuing Education

Orientation and education of new members of the Board is conducted informally by management and members of the Board. The orientation provides background information on the Company’s history, performance and strategic plans.

4. Other Board Committees

The Board has no other committees other than the Audit Committee, the Compensation Committee and the Corporate Governance Committee.

5. Assessments

The Board monitors on an on-going basis the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the board of directors of the Company, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the last completed financial year.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary of the Company at any time during the Company's last financial year, the proposed nominees for election to the board of directors of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor any associate or affiliate of any such person, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, 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 except as set out herein.

MANAGEMENT CONTRACTS

No management functions of the Company are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

APPOINTMENT OF AUDITOR

Management of the Company proposes to nominate DeVisser Gray, Chartered Accountants, for appointment as auditors of the Company to hold office until the next Annual General Meeting of the shareholders at remuneration to be fixed by the directors. DeVisser Gray, Chartered Accountants has been the Company's auditors since May 2009.

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

“Resolved as an ordinary resolution that Devisser Gray, Chartered Accountants be appointed as the Company's auditor until the next annual meeting of shareholders following the Meeting, or until it resigns or is removed from office by the Company, with remuneration to be approved by the Board.”

AUDIT COMMITTEE

The Audit Committee reviews the annual and quarterly financial statements of the Company, oversees the annual audit process, the Company's internal accounting controls, the resolution of issues identified by the Company's auditors and recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders at the next annual general meeting. In addition, the Audit Committee meets annually with the external auditors of the Company.

Composition of Audit Committee

The Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or of an affiliate of the Company. The Company's current Audit Committee consists of Mark Peters, Tracy Moore, and Gordon Fretwell, two of whom (being Mark Peters and Gordon Fretwell) are independent. National Instrument 52-110 *Audit Committees*, ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's board of directors, reasonably interfere with the exercise of the member's independent judgment.

Financial Literacy

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

All of the directors of the Company are financially literate as that term is defined.

Audit Committee Charter

The Audit Committee Charter is also available upon request to the Company's Corporate Secretary.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the board of directors of the Company.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis* Non-audit Services) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Board of Directors has adopted a pre-approval policy requiring that the Audit Committee pre-approve the audit and non-audit services performed by the independent auditor in order to assure that the provision of such services do not impair the auditor's independence.

Audit Fees

The following table sets forth the fees paid during the last two fiscal years by the Company to De Visser Gray, Chartered Accountants for services rendered:

	Fiscal 2022 \$	Fiscal 2023 \$
Audit Fees	26,500	33,600
Audit Related Fees	Nil	Nil
Tax Fees	2,500	2,500
All Other Fees	Nil	Nil
Totals	29,000	36,100

Exemption

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

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

ADOPTION OF 10% ROLLING STOCK OPTION PLAN

The Board has established a stock option plan (the “Plan”), which provides for the granting of options to directors, officers, employees and consultants of the Company and subsidiaries of the Company. Stock options are a significant long-term incentive and are viewed as an important aspect of compensation.

The Plan is a so-called "20% fixed stock option plan" and was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees and consultants of the Company and subsidiaries of the Company. Options do not vest until such agreement has been executed and delivered to the Company by the grantee. All options expire on a date determined by the Board, but in any event not later than five years after the granting of such options.

It is proposed that the Company adopt a 10% rolling stock option plan (the “New Plan”), in place of the existing 20% fixed plan.

The number of common shares which may be issued pursuant to options previously granted and those granted under the New Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Therefore, at the Meeting, shareholders will be asked to pass a resolution in the following form:

"UPON MOTION IT WAS RESOLVED that the Company cancel the 20% fixed plan and approve and ratify, subject to regulatory approval, the New Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries

to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis."

The purpose of the New Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to five years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange. Pursuant to the New Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The New Plan contains no vesting requirements but permits the Board of Directors to specify a vesting schedule in its discretion. The New Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The full text of the New Plan is available for viewing up to the date of the Meeting at the Company's Registered Offices located at 2110, 650 Georgia Street, Vancouver, BC, V6B 4N8, and will also be available for review at the Meeting.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval and ratification of the New Plan.

For the purposes hereof, an "insider" is a director or senior officer of the Company, a director or senior officer of a company that is itself an insider or subsidiary of the Company, or a person whose control, or direct or indirect beneficial ownership, or a combination thereof, over securities of the Company extends to securities carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities.

The New Plan is also subject to approval by the TSX Venture Exchange.

The Board recommends that the shareholders vote "FOR" the approval and ratification of the New Plan.

APPROVAL OF AMENDED SHARE UNIT PLAN

The Company currently has a Share Unit Plan (the "Share Unit Plan"), which was approved by the shareholders of the Company on July 12, 2021. The material terms of the Amended Share Unit Plan are set out below.

SUMMARY OF THE AMENDED SHARE UNIT PLAN

Shareholders of the Company voted to adopt a Share Unit Plan in 2021 to assist the Company in the recruitment and retention of highly qualified employees, directors and service providers by providing a means to reward performance, to motivate participants under the Share Unit Plan to achieve important corporate and personal objectives and, through the proposed issuance by the Company of Common Shares under the Share Unit Plan, to better align the interests of participants with the long-term interests of Shareholders. The Company is proposing to adopt an amended Share Unit Plan (the "Amended Share Unit Plan") in accordance with policies of the TSX Venture Exchange and increase the number of common shares available under the Amended Share Unit Plan to 21,158,770 (a fixed 10% share unit plan). The full text of the Amended Share Unit Plan is available for viewing up to the date of the Meeting at the Company's Registered Offices located at 2110, 650 Georgia Street, Vancouver, BC, V6B 4N8, and will also be available for review at the Meeting.

The Amended Share Unit Plan is administered by the Compensation Committee of the Board. Employees, directors and service providers of the Company and its designated subsidiaries are eligible to participate in the Amended Share Unit Plan. In accordance with the terms of the Amended Share Unit Plan, the Company, under the authority of the Board through the Compensation Committee, approves those employees, directors and service providers who are entitled to receive Share Units and the number of Share Units to be awarded to each participant. Share Units awarded to participants will be credited to them by means of an entry in a notional account in their favour on the books of the Company. Each Share Unit awarded conditionally entitles the participant to receive cash, one Common Share without par value in the capital of the Company, or a combination thereof, as determined by the Compensation Committee, in an amount equal to the volume weight average trading price as defined and calculated pursuant to the rules and policies of the TSX Venture Exchange, as amended from time to time (“**Market Price**”) of the Share Unit, upon attainment of the Share Unit vesting criteria. Each grant of Share Units is subject to any policy of the Company that may be in place from time to time relating to the “clawback” of the value of any Share Units in certain circumstances.

The vesting of Share Units pursuant to the Amended Share Unit Plan may be conditional upon the expiry of time-based vesting conditions, performance-based vesting conditions or a combination of the two. The duration of the vesting period, performance criteria and other vesting terms applicable to the grant of the Share Units is determined at the time of the grant by the Compensation Committee. In the case of time-based vesting, the Company has adopted a three-year vesting period, except in the event of a “Change of Control”.

Once the Share Units vest pursuant to the Amended Share Unit Plan, the participant is entitled to receive, and the Company will issue and/or pay, a pay-out in cash, Common Shares or a combination thereof with respect to those vested Share Units. The expiry date of Share Units is the date on which the Share Units lapse as specified in the grant agreement or in accordance with the Amended Share Unit Plan. Pursuant to the terms of the Amended Share Unit Plan, on the date a participant has left the employ or office with the Company or on such date a participant’s service contract is terminated, Share Units in such participant’s account which are unvested shall terminate and be forfeited. All unvested or expired Share Units will be available for future grants.

The maximum number of Common Shares which may be reserved, set aside and made available for issuance under the Amended Share Unit Plan, will not exceed 21,158,770 common shares and when combined with securities available for issuance under any other security-based compensation arrangement of the Company, shall not exceed 20% of the issued and outstanding Common Shares of the Company.

As of November 14, 2023, there were no Share Units outstanding, representing 0% of the Company’s issued and outstanding Common Shares. Assuming the Amended Share Unit Plan is approved by Shareholders, 21,158,770 Share Units will be available for grant representing 10% of the Company’s issued and outstanding Common Shares.

The number of Share Units which may be issuable under the Plan and all of the Company’s other security-based compensation arrangements within any one year period:

- a) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to any one Participant (and where permitted pursuant to the policies of the TSX Venture Exchange, any company that is wholly-owned by the Participant) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 5% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
- b) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 10% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;

- c) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company may not exceed 10% of the Outstanding Shares at any point in time;
- d) the maximum aggregate number of Common Shares that may be issuable to any Consultant of the Company pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation; and
- e) the maximum aggregate number of Common Shares that may be issuable to all Investor Relations Services Providers pursuant to Options granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Options and Investor Relations Services Providers may not receive any Security Based Compensation other than Options.

The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with any other Security Based Compensation Plans, or any particular grant or issue of Security Based Compensation, could result in:
 - (i) the aggregate number of Common Shares issuable pursuant to Security Based Compensation to Insiders (as a group) exceeding 10% of the Outstanding Shares at any time;
 - (ii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12 month period to Insiders (as a group) exceeding 10% of the Outstanding Shares calculated at the date of grant or issue; or
 - (iii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12-month period to any one Participant exceeding 5% of the Outstanding Shares calculated at the date of grant or issue.
- (b) any reduction in the Exercise Price or the extension of the term of an Option held by an Insider or any other amendment to an Option that results in a benefit to an Insider.

The number of Share Units that may be granted to non-employee directors under the Amended Share Unit Plan, in combination with all other equity awards granted to non-employee directors under any other security-based compensation arrangement of the Company, at any time, shall be limited to an annual equity award value (based on grant date fair value as determined by the Board) of \$150,000 per non-employee director, provided that the total value (based on grant date fair value as determined by the Board) of options issuable to any one non-employee director in any 12 month period will not exceed \$100,000.

At any time within one year from the date of a “Change of Control” (meaning (i) the direct or indirect acquisition by a person, or group of persons, acting jointly, or in concert, of Common Shares which total more than (A) 50% of the then outstanding Common Shares; or (B) 30% of the then outstanding Common Shares followed, within 12 months of such acquisition, by the removal by Shareholders of more than 51% of the then incumbent directors or the election by Shareholders of a majority of the directors to the Board who were not nominees of the Board immediately preceding such election, (ii) the sale of all or substantially all of the assets of the Company, or the consummation of a transaction which has substantially the same effect, or (iii) a transaction which has substantially the same effect as (i) or (ii) if a participant who was also an officer or employee of, or service provider to, the Company prior to the “Change of Control” has their employment or service contract or position with the Company or the continuing entity resulting or continuing from the

“Change of Control” (as applicable), terminated without cause, or altered in such a way that the holder is effectively constructively dismissed from their position with the Company, all outstanding Share Units held by such participant shall vest and the payout date in connection with such participant’s Share Units shall be accelerated to the date of such participant’s termination or dismissal and the Company shall issue Common Shares and/or pay cash to such participant with respect to such Share Units. In the event the Share Units are subject to performance-based vesting conditions and are accelerated as a result of a “Change of Control”, then an assessment shall be done by the Compensation Committee and the Compensation Committee shall accelerate only to the extent that such performance based vesting conditions are considered in the Plan Administrator’s discretion to have been satisfied.

Share Units under the Amended Share Unit Plan will not be assignable or transferable other than by operation of law, except, if and on such terms as the Company may permit, to a spouse or minor children or grandchildren or a personal holding company or family trust controlled by a participant, the sole shareholders or beneficiaries of which, as the case may be, are any combination of the participant, the participant’s spouse, minor children or minor grandchildren, and after the participant’s lifetime shall enure to the benefit of and be binding upon the participant’s designated beneficiary, on such terms and conditions as are appropriate for such transfers.

Pursuant to the Share Unit Plan, the Company may, without notice, at any time and from time to time, without Shareholder approval, amend the Share Unit Plan, any entitlements granted thereunder or any provisions thereof in such manner as the Company, in its sole discretion, determines appropriate including, without limitation:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the Share Unit Plan;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the Share Unit Plan;
- (c) to change the vesting and/or termination provisions applicable to Share Units provided that such change does not entail an extension of the expiry date of the Share Units beyond the original Expiry Date of the Share Units;
- (d) to preserve the intended tax treatment of the benefits provided by the Share Unit Plan, as contemplated therein; or
- (e) to make any amendments necessary or advisable because of any change in applicable laws;

provided, however, that:

- (f) no such amendment to the Amended Share Unit Plan may be made without the consent of each affected participant if such amendment would adversely affect the rights of such affected participant(s) under the Share Unit Plan; and
- (g) disinterested Shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment that results in;
 - (i) any increase in the number of Common Shares reserved for issuance under the Amended Share Unit Plan or the maximum number of Common Shares available for issuance pursuant to the Amended Share Unit Plan;
 - (ii) the cancellation and re-issuance of Share Units;

- (iii) the extension of the term of a Share Unit beyond the original expiry date;
- (iv) the removal or exceeding of the limitations on Common Shares issuable to non- employee directors;
- (v) permitting Share Units to be transferable or assignable other than for normal estate settlement purposes;
- (vi) the removal or exceeding of the limitation on Common Shares issuable to insiders; or
- (vii) an amendment to the amendment provisions of the Amended Share Unit Plan.

Therefore, at the Meeting, Shareholders will be asked to consider, and if deemed appropriate, to pass, without or without variation, the following ordinary resolutions (the “Amended Share Unit Plan Resolutions”):

RESOLVED THAT

1. The share unit plan previously approved in 2021 is hereby cancelled.
2. The approval of the Amended Share Unit Plan, as described in this Information Circular, is hereby approved, and the Company is hereby authorized to issue securities pursuant to the Amended Share Unit Plan;
3. The Board be and is hereby authorized and directed to reserve a sufficient number of Common Shares to satisfy the requirements for the issuance of Common Shares under the Amended Share Unit Plan;
4. The unallocated entitlements under the Amended Share Unit Plan are hereby approved and the Company will have the ability to grant units under the Share Unit Plan until the date that is three years from the date of the Meeting, being January 12, 2027; and
5. Any director or officer of the Company be and is hereby authorized and directed to take all such action and execute and deliver all such documents as any such director or officer may, in his or her sole discretion, determine are necessary, desirable or useful to implement the foregoing resolutions.

Pursuant to TSX policies, all unallocated options, rights or entitlements under a security-based compensation arrangement which does not have a fixed maximum number of securities issuable, must be approved by the listed issuer’s security holders every three years after the institution of the arrangement. Accordingly, if the Amended Share Unit Plan is approved by Shareholders, the Company will be able to grant Share Units pursuant to the terms of the Amended Share Unit Plan until January 12, 2027.

The Board recommends that Shareholders vote FOR the Amended Share Unit Plan Resolutions. Unless otherwise instructed, Common Shares represented by proxies in favour of management will be voted FOR the Amended Share Unit Plan Resolutions.

If the Shareholders do not approve the Amended Share Unit Plan Resolutions, the Board will not be able to implement the Amended Share Unit Plan. This means that the Board will not be able to grant share unit

entitlements settled in Common Shares of the Company. In the event that the Amended Share Unit Plan Resolutions are approved, grants of Share Units going forward will be subject to and governed by the terms of the Amended Share Unit Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedarplus.ca. Financial information is provided in the Company's audited financial statements and MD&A for the year ended March 31, 2023. Shareholders may contact the Company at 2110, 650 West Georgia Street, Vancouver, BC V6B 4N8 to request copies of the Company's financial statements and MD&A including audited financial statements.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Vancouver, British Columbia, this 12th day of December, 2023

ON BEHALF OF THE BOARD OF DIRECTORS

“Peter Shearing”

Peter Shearing, CEO