

# GRAPHENE MANUFACTURING GROUP LTD.

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## INFORMATION CIRCULAR

*(As at October 18, 2022, except as otherwise indicated)*

**Graphene Manufacturing Group Ltd.** (the "**Company**") is providing this Information Circular (the "**Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of shareholders of the Company ("**Shareholders**") to be held virtually on **Friday, November 25, 2022, at 8:00 a.m. Brisbane Australian Eastern Standard Time ("AEST")** (being **Thursday, November 24, 2022, at 2:00 p.m. (Canadian Pacific Standard Time)**) and at any adjournment(s) thereof. Registered Shareholders (as defined below) and duly appointed proxyholders can attend the meeting online by going to: <https://web.lumiagm.com/445493549>, password "**graphene2022**".

The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All references to currency are references to lawful money of Canada, unless otherwise stated.

**The Meeting will be held virtually and the Company will not be permitting attendance in person. Shareholders are urged to vote on the matters before the Meeting by proxy and to attend the Meeting through the virtual access details provided below.**

The record date for determination of the Shareholders entitled to receive notice of the Meeting is Tuesday, October 18, 2022 (the "**Record Date**"). Only the matters referred to in this notice of Meeting will be addressed at the Meeting. There will be no additional presentations at the Meeting. For more information on how to complete your proxy, see "*Completion and Return of Proxy*" below.

The Company reserves the right to take any additional precautionary measures in relation to the Meeting in response to further developments in respect of the COVID-19 pandemic that the Company considers necessary or advisable including changing the time, date or location of the Meeting.

## Accessing the Meeting

### To access the meeting:

You can attend the Meeting online at <https://web.lumiagm.com/445493549>, by:

1. Entering your **15-digit control number** (located on the form of proxy) and the password “**graphene2022**”; or
2. Log in as a guest.

### LUMI Global – User Guide:

Please note that the “LUMI Global User Guide – Virtual Meeting” will be available via on the Company’s website at: <https://graphenemg.com/agm-materials/>

### To participate online:

Make sure the browser on your device is compatible. You will need the latest version of Chrome, Safari, Edge or Firefox. Internet Explorer is not supported.

### Caution:

Internal network security protocols including firewalls and VPN connections may block access to the Lumi platform for your meeting. If you are experiencing any difficulty connecting or watching the meeting, ensure your VPN setting is disabled or use a computer on a network not restricted to security settings of your organization.

Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://web.lumiagm.com/445493549>. Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking “**I have a login**” and following the online instructions before the start of the Meeting.

- Registered Shareholders - The 15-digit control number is located on the form of proxy or in the email notification you received.
- Duly appointed proxyholders – Computershare Trust Company of Canada / Computershare Investor Services Inc. (“**Computershare**”) will provide the proxyholder with a 15-digit control number.

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders (as defined below) who have not appointed themselves may attend the Meeting by clicking “**I am a guest**” and completing the online form.

Shareholders who wish to appoint a third party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a 15-digit control number to participate in the Meeting.** To register a proxyholder, shareholders MUST visit [www.computershare.com/graphene](http://www.computershare.com/graphene) by 2:00 p.m. (Canadian Pacific Standard time) on Tuesday, November 22, 2022 and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a 15-digit control number via email.

**It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.**

**In order to participate online, shareholders or proxyholders must have received an email from Computershare containing a valid 15-digit control number.**

### **Participating at the Meeting**

The Meeting will be hosted online by way of a virtual meeting. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the online meeting is provided below. The meeting will begin on **Friday, November 25, 2022, at 8:00 a.m. Brisbane AEST** (being **Thursday, November 24, 2022, at 2:00 p.m. (Canadian Pacific Standard Time)**).

Registered Shareholders and duly appointed proxyholders that have a 15-digit control number provided by Computershare (see details under the heading “*Appointment of Proxies*”), will be able to vote and submit questions during the meeting. To do so, please go to <https://web.lumiagm.com/445493549> prior to the start of the meeting to login. Click on “I have a login” and enter your 15-digit control number and the password “**graphene2022**” (*case-sensitive*). Non-Registered Shareholders who have not appointed themselves to vote at the meeting, may login as a guest, by clicking on “I am a guest” and complete the online steps.

For United States beneficial holders to attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to Computershare Investor Services Inc., 100 University Avenue, 8th 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 **2:00 p.m. (Canadian Pacific Standard Time) on Tuesday, November 22, 2022**, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment(s) thereof is held, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently. You may attend the Meeting and vote your shares at <https://web.lumiagm.com/445493549> during the Meeting. Please note that you are required to register your appointment at [www.computershare.com/graphene](http://www.computershare.com/graphene).

Non-Registered Shareholders who do not have a 15-digit control number will only be able to attend as a guest which allows them to access the Meeting; however, they will not be able to vote or submit questions. Please see the information under the heading “*Non-Registered Shareholders*” for an explanation of why certain Shareholders may not receive a form of proxy.

If you are eligible to vote at 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.

### **Voting at the Meeting**

A registered shareholder of Shares (a “**Registered Shareholder**”), or a 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 prepared by Computershare, the transfer agent and registrar for the Meeting. To have their Shares voted at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number provided by Computershare at <https://web.lumiagm.com/445493549> prior to the start of the Meeting. In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at [www.computershare.com/graphene](http://www.computershare.com/graphene) **after** submitting their voting instruction form in order to receive a control number (please see the information under the headings “*Appointment of Proxies*” below for details).

If a Shareholder who has submitted a proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted proxy will be disregarded.

#### **Appointment of Proxies**

Shareholders who wish to appoint a third party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (if applicable) prior to registering your 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 a control number to participate in the Meeting.** To register a proxyholder, Shareholders MUST visit [www.computershare.com/graphene](http://www.computershare.com/graphene) no later than **2:00 p.m. (Canadian Pacific Standard Time) on Tuesday, November 22, 2022**, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment(s) thereof is held, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently. Shareholders must also provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a control number via email.

A proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com). The proxy must be deposited with Computershare by no later than **2:00 p.m. (Canadian Pacific Standard Time) on Tuesday, November 22, 2022**, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment(s) thereof is held, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently. If a Shareholder who has submitted a proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted proxy will be disregarded.

**Without a 15-digit control number, proxyholders will not be able to vote at the Meeting.**

#### **APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**") or legal counsel to the Company.

**A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the 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 Shareholder.**

#### **VOTING BY PROXY**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares of the Company represented by a properly executed proxy will be voted or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

#### **COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) thereof, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

#### **NON-REGISTERED HOLDERS**

**Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders of Shares whose names appear on the Share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. The Company's Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners), and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is not sending the Meeting materials directly to NOBOs in connection with the Meeting but rather has distributed copies of the Meeting materials to the Intermediaries for distribution to NOBOs. With respect to OBOs, in accordance with applicable securities law requirements, the Company has distributed copies of the Meeting materials to the clearing agencies and Intermediaries for distribution to OBOs. The Company does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Intermediaries assumes the cost of delivery.

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders 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 Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow; or

- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder 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 Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

#### **NOTICE-AND-ACCESS**

The Company is not sending the Meeting materials to Shareholders using "notice-and-access", as defined under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

#### **REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a Shareholder, his or her attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) thereof, or with the chairman of the Meeting on the day of the Meeting, or any adjournments thereof.

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

Except as set out in this Circular, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a Director and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, except that the Directors and executive officers of the Company may have an interest in the resolution regarding the approval of the Company's stock option plan and the Company's share incentive plan, as such persons are eligible to participate in such plans.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of ordinary shares without par value ("**Shares**"), of which 79,594,586 Shares were issued and outstanding as at October 18, 2022, the record date for the Meeting (the "**Record Date**"). Persons who are registered Shareholders at the close of business on the Record Date will be entitled to receive notice of the Meeting. The Company has only one class of shares, with each Share entitling the holder thereof to one vote.

To the knowledge of the Directors and executive officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except the following:

Name	No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares
Craig Nicol <sup>(1)</sup>	12,643,527	15.88%

(1) These shares are indirectly held in the name of Como Industries Pty Ltd ACN 165 754 807, a company jointly owned by Craig Nicol and his spouse Diny Nicol.

#### ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

The Company does not have an executive committee. The Company has an audit committee (the “**Audit Committee**”), a remuneration committee (the “**Remuneration Committee**”) and a sustainability committee (the “**Sustainability Committee**”). Members of these committees are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Position	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Previous Service as a Director	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(3)</sup>
<b>Guy Outen</b> <sup>(1)(2)(8)</sup> London, England Non Executive Director and Board Chair	Chair and Non-Executive Director of GMG since November 2019; Executive, Shell Australia Pty Ltd, between January and March 2019; and EVP, Strategy and Portfolio at Shell plc Group, between January 2014 and December 2018.	Since November 27, 2019	734,000 <sup>(4)</sup>
<b>Craig Nicol</b> Queensland, Australia Managing Director and Chief Executive Officer	Managing Director and CEO since August 10, 2016; and M&A Deal Lead, Shell Australia Pty. Ltd., between April 2010 and August 2016.	Since August 10, 2016	12,643,527 <sup>(5)</sup>

Name, Jurisdiction of Residence and Position	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Previous Service as a Director	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(3)</sup>
<b>Frederick Kotzee</b> Queensland, Australia Director and Chief Financial Officer	Chartered Accountant since 1997, various positions in the Anglo American Plc Group, including Chief Financial Officer of Kumba Iron Ore Limited (JSE) from June 2012 to May 2017, and Chief Financial Officer of Kidman Resources Limited (ASX) from August 2018 to October 2019.	Since August 22, 2022	Nil
<b>Dr. Emma FitzGerald</b> <sup>(1)(2)(8)</sup> Taunton, United Kingdom Non Executive Director	Chief Executive Officer of Puma Energy from January 2019 to April 2021; Executive Director Severn Trent plc July 2015 to July 2018; Non-Executive Director of UPM Kymmene since March 2020, Non-Executive Director of Seplat Energy since August 2021, Non-Executive Director of Newmont Corporation since December 2021.	Since July 1, 2022	Nil
<b>Robert Shewchuk</b> <sup>(1)(2)(8)</sup> Alberta, Canada Non Executive Director	Director of GMG since July 15, 2019; Director of GMG since July 15, 2019; Chairman & CEO of LithiumBank Resources Corp. since August 2020; Director of Caerus Capital Partners Inc. since October 2020; Director of Spectre Capital Corp. since August 2018.	Since July 15, 2019	62,500 <sup>(6)</sup>
<b>William Ollerhead</b> <sup>(1)(2)(8)</sup> Ontario, Canada Non Executive Director	Managing Director, Ollerhead Capital since 1999 (which is a registered business name of Chunkerhead Ltd.); President, CEO and Director of Cuspis Capital II Ltd. since September 2019; President, CEO and Director of Cuspis Capital III Ltd. since September 2019; President, CEO and Director of Cuspis Capital Partners Ltd., since March 2022.	Since April 13, 2021	619,163 <sup>(7)</sup>

(1) Member of the Audit Committee.

(2) Member of the Sustainability Committee.



- (3) *Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Record Date, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such Shares are held directly.*
- (4) *These shares are held in the name of Denewood Management Pty Ltd ATF Outen Investments Trust, a company controlled by Guy Outen and his spouse Sally Outen.*
- (5) *These shares are held in the name of Como Industries Pty Ltd., a company jointly owned by Craig Nicol and his spouse Diny Nicol.*
- (6) *These shares are indirectly held in the name of Caerus Capital Partners Inc., a company of which Robert Shewchuk is a director and shareholder.*
- (7) *Of these shares, 244,450 are held by William Ollerhead, 354,563 are indirectly held in the name of Chunkerhead Ltd., a company jointly owned by William Ollerhead and his spouse, Dr. Kooyeon Chun, and 20,150 are held in the name of Dr. Chun in an account over which Mr. Ollerhead also has control.*
- (8) *Member of the Remuneration Committee.*

No proposed Director is to be 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.

To the knowledge of the Company, other than as set out below, no proposed Director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a Director, Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") of any company (including the Company) that:
  - (i) was the subject, while the proposed Director was acting in the capacity as director, CEO or CFO of such company, of a cease trade 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; or
  - (ii) was subject to a cease trade 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 after the proposed Director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed Director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

William Ollerhead became a director of BioExx Specialty Proteins Ltd. (“**BioExx**”) in June 2008, and resigned on July 30, 2013. More than two months after Mr. Ollerhead’s resignation, and following a change in management of BioExx, the company filed for and obtained an order from the Ontario Superior Court of Justice (Commercial Division) under the Companies’ Creditors Arrangement Act on October 1, 2013.

The following Directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Robert Shewchuk	Spectre Capital Corp. LithiumBank Resources Corp.
William Ollerhead	Cuspis Capital II Ltd. Cuspis Capital III Ltd. Thermal Energy International Inc.

### STATEMENT OF EXECUTIVE COMPENSATION

#### **Compensation of Named Executive Officers**

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. “Named Executive Officer” is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year. For the Company’s two most recently completed financial years, the Company has or has had the following Named Executive Officers (collectively, the “**Named Executive Officers**” or “**NEOs**”):

- (a) Craig Nicol, Founder, Managing Director and CEO;
- (b) Christopher Ohlrich, former Executive Director and CFO; and
- (c) Deborah Appleton, Financial Controller and former Interim CFO.

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

The Remuneration Committee, a committee of the Board, is responsible for establishing management and director compensation. The Board, and the Remuneration Committee thereof, do not have a pre-determined, performance-based compensation plan, but rather review the performance of management on an annual basis, or more frequently if deemed necessary by the Remuneration Committee. The Remuneration Committee is comprised of the following directors: Guy Outen, Robert Shewchuk, William Ollerhead and Dr. Emma FitzGerald. Mr. Outen, Mr. Ollerhead and Dr. FitzGerald are independent of management of the Company.

The Remuneration Committee, among other things, evaluates the performance of directors and Named Executive Officers, reviews and recommends to the Board the compensation paid to directors and Named Executive Officers and oversees and evaluates the Company’s general compensation structure and policies. The Remuneration Committee also reviews and administers the Option Plan and Incentive Plan (each as defined below).

Cash compensation may be provided to directors and Named Executive Officers in the form of annual salaries and, where appropriate, year-end cash or equity bonuses. Cash compensation levels for directors and Named Executive

Officers are based on the respective directors' and Named Executive Officer's qualifications, experience and responsibilities within the Company, and are intended to be competitive with salaries paid to others in comparable positions within the same industry. For annual salary increases, the Board will consider a director's or Named Executive Officer's increased level of experience, whether or not the director's or Named Executive Officer's responsibilities have increased over the past year and current compensation levels and practices within relevant industries. The Remuneration Committee reviews key performance indicators such as share price, finance and business progression. The cash element of compensation is designed to ensure the Company's access to skilled personnel necessary to achieve its corporate objectives, within the cash constraints of the Company and other remuneration levers available. The Board also considers, on an annual basis, discretionary cash or equity bonuses to reward extraordinary performance during the preceding fiscal year. In determining whether a bonus will be given, the Board considers such factors as the executive's performance over the past year, the Company's achievements in the past year, the executive's role in effecting such achievements and the financial capacity of the Company.

Incentive stock options and units may be granted to the Company's directors and Named Executive Officers based on the value such directors and Named Executive Officers create for the Company's shareholders. From time to time, the Company may choose to pay compensation in the form of incentive stock options or stock units in order to align the directors' and Named Executive Officers' compensation with their contribution to the success of the Company in creating shareholder value, to provide a retentive effect on the directors and Named Executive Officers, and to provide compensation that is in line with the Company's fiscal resources.

#### **Option and Share-based awards**

The Company's 10% rolling stock option plan (the "**Option Plan**") and its 10% fixed restricted share unit and performance unit plan (the "**Share Incentive Plan**" and together with the Option Plan, the "**Incentive Plans**") are designed to advance the interests of the Company by encouraging eligible participants, being Directors, employees, management company employees, officers and consultants, to have equity participation in the Company through acquisition of Shares.

The Incentive Plans have been, and will be used, by the board of directors of the Company (the "**Board**") to provide Share purchase stock options ("**Options**"), restricted share units ("**RSUs**") and performance share units ("**PSUs**") (collectively, "**Compensation Securities**") which are awarded based on the recommendations of the Remuneration Committee of the Board, taking into account the level of responsibility of the executive officer, as well as his or her impact on or contribution to, and/or his or her ability in the future to have an impact on or to contribute to, the longer-term operating performance of the Company. Management presents its recommendations to the Remuneration Committee with respect to Compensation Securities. These Compensation Securities are granted, at the discretion of the Board, to existing Directors, officers, employees, and consultants based on award levels in the past and Company performance, in compliance with applicable securities law, stock exchange, and other regulatory requirements. Compensation Securities may also be granted, at the discretion of the Board, throughout the year, to attract new Directors, officers, employees or consultants. In determining the number of Compensation Securities to be granted to the Directors, officers, employees, or consultants, the Board takes into account the number of Compensation Securities, if any, previously granted to each of the Directors, officers, employees, or consultants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the Director, officer, employee, or consultant, in determining the level of incentive stock option compensation. The Remuneration Committee also takes into account the exercise price of any outstanding stock options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "**TSXV**") and to closely align the interests of the executive officers with the interests of Shareholders. The Remuneration Committee recommends to the Board the vesting provisions of all Compensation Securities and will amend the Incentive Plans as recommended by management, subject to any required approval of the TSXV or Shareholders of the Company.

The Company has made amendments to the Option Plan to ensure its compliance with TSXV Policy 4.4 – *Security Based Compensation* ("**Policy 4.4**"). For further information regarding the Company's Option Plan and a summary of its material terms, including the aforementioned amendments, see the sections in this Circular titled "*Statement of*

*Executive Compensation – Stock Option Plans and Other Incentive Plans”, “Particulars of Other Matters To Be Acted Upon – Annual Approval of Rolling 10% Stock Option Plan” and “Particulars of Other Matters To Be Acted Upon – Annual Approval of Rolling 10% Stock Option Plan”. These summaries are qualified in their entirety by the full text of the Option Plan which is available for review on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).*

## Director and Named Executive Officer Compensation

### Table of Compensation Excluding Compensation Securities

The following table sets forth a summary of all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Officer and Director of the Company, for services provided and for services to be provided, directly or indirectly in any capacity, to the Company by such persons, for the two most recently completed financial years, *excluding compensation securities*:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES - Australian \$							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation <sup>(1)</sup> (\$)	Total Compensation (\$)
<b>Craig Nicol</b> Managing Director, Chief Executive Officer and Corporate Secretary	2022	310,000	Nil	Nil	Nil	35,777	345,777
	2021	260,000	Nil	Nil	Nil	51,131	311,131
<b>Christopher Ohlrich<sup>(2)</sup></b> Former Executive Director and CFO	2022	255,208	Nil	Nil	Nil	45,723	300,931
	2021	225,000	Nil	Nil	Nil	37,806	262,806
<b>Deborah Appleton<sup>(3)</sup></b> Financial Controller and former Interim CFO	2022	166,875	Nil	Nil	Nil	17,901	184,776
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Guy Outen</b> Board Chair and Non Executive Director	2022	105,000	Nil	Nil	Nil	Nil	105,000
	2021	17,500	Nil	Nil	Nil	Nil	17,500
<b>Robbert de Weijer<sup>(4)</sup></b> Former Executive Director	2022	189,949	Nil	Nil	Nil	20,295	210,244
	2021	86,680	Nil	Nil	Nil	2,721	89,401
<b>Robert Shewchuk</b> Non Executive Director	2022	55,000	Nil	Nil	Nil	Nil	55,000
	2021	9,167	Nil	Nil	Nil	Nil	9,167
<b>William Ollerhead</b> Non Executive Director	2022	55,000	Nil	Nil	Nil	Nil	55,000
	2021	9,167	Nil	Nil	Nil	Nil	9,167

(1) Includes the compulsory superannuation contribution at 10% of salary, unutilised leave entitlements accrued and a telephone expenses allowance of approximately \$1,200 per year for each of the above Named Executive Officers.

(2) Mr. Ohlrich ceased acting as CFO and Executive Director of the Company as of June 3, 2022.

- (3) Ms. Appleton, GMG Financial Controller, was appointed also as Interim CFO on June 3, 2022 and ceased acting in that position effective July 25, 2022 when Frederick Kotzee was appointed as CFO. Mr. Kotzee was appointed as a Director of the Company effective August 22, 2022.
- (4) Mr. de Weijer ceased acting as a Director of the Company as of July 15, 2022.
- (5) Dr. Emma FitzGerald was appointed as a Non Executive Director effective July 1, 2022.

#### External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

#### Stock Options and Other Compensation Securities

During the financial year ended June 30, 2022, 36,319 Compensation Securities were granted to NEOs and directors of the Company. The following table discloses all compensation securities granted or issued to each Named Executive Officer and director by the Company in the financial year ended June 30, 2022:

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	No. of Compensation Securities, no. of underlying securities and percentage of class <sup>(2)</sup>	Date of issuance or grant	Issue, Conversion or Exercise Price (A\$ or C\$ as marked)	Closing price or estimate market value of underlying security on date of grant (A\$ or C\$ as marked)	Closing price of security or underlying security at year end (C\$)	Expiry Date
Craig Nicol Managing Director, Chief Executive Officer	Options	Nil	Nil	Nil	Nil	Nil	Nil
	RSUs	Nil	Nil	Nil	Nil	Nil	Nil
	PSUs	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Ohlrich <sup>(1)</sup> Former Executive Director and Chief Financial Officer	Options	Nil	Nil	Nil	Nil	Nil	Nil
	RSUs	Nil	Nil	Nil	Nil	Nil	Nil
	PSUs	Nil	Nil	Nil	Nil	Nil	Nil
Deborah Appleton <sup>(2)</sup> Financial Controller and former Interim	Options	Nil	Nil	Nil	Nil	Nil	Nil
	RSUs	36,319 18.38%	October 20, 2021	Nil	C\$2.24	C\$2.73	October 20, 2026
	PSUs	Nil	Nil	Nil	Nil	Nil	Nil

Chief Financial Officer							
<b>Guy Outen</b> Board Chair and Non Executive Director	Options	Nil	Nil	Nil	Nil	Nil	Nil
	RSUs	Nil	Nil	Nil	Nil	Nil	Nil
	PSUs	Nil	Nil	Nil	Nil	Nil	Nil
<b>Robbert de Weijer<sup>(3)</sup></b> Former Executive Director	Options	Nil	Nil	Nil	Nil	Nil	Nil
	RSUs	Nil	Nil	Nil	Nil	Nil	Nil
	PSUs	Nil	Nil	Nil	Nil	Nil	Nil
<b>Robert Shewchuk</b> Non Executive Director	Options	Nil	Nil	Nil	Nil	Nil	Nil
	RSUs	Nil	Nil	Nil	Nil	Nil	Nil
	PSUs	Nil	Nil	Nil	Nil	Nil	Nil
<b>William Ollerhead</b> Non Executive Director	Options	Nil	Nil	Nil	Nil	Nil	Nil
	RSUs	Nil	Nil	Nil	Nil	Nil	Nil
	PSUs	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Ohlrich ceased acting as CFO and Executive Director of the Company as of June 3, 2022.

(2) Ms. Appleton, GMG Financial Controller, was appointed also as Interim CFO on June 3, 2022 and ceased acting in that position effective July 25, 2022 when Frederick Kotzee was appointed as CFO. Mr. Kotzee was appointed as a Director of the Company effective August 22, 2022.

(3) Mr. de Weijer ceased acting as a Director of the Company as of July 15, 2022.

(4) Dr. Emma FitzGerald was appointed as a Non Executive Director effective July 1, 2022.

#### **Exercise of Compensation Securities by NEOs and Directors**

There were no compensation securities exercised by any Director and Named Executive Officer in the most recently completed financial year.

#### **Incentive Plan Awards**

The Company intends to continue the grant of Compensation Securities. In considering new grants to directors and executive officers, the Board will consider the number of Options, if any, previously granted to each director and executive officer.

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

##### ***Stock Option Plan***

The Company has a stock option plan dated March 31, 2021 (the “**Option Plan**”) which contains the provisions set out below. The Option Plan was effective immediately upon the approval of the Board on November 2, 2018, when the Company was a non-reporting issuer. The Company became listed on the TSXV effective April 15, 2021, and, in connection therewith, the Option Plan was amended by the Board on March 31, 2021 to comply with the policies of the TSXV. Subsequently, the Board further amended the Option Plan to comply with amendments to Policy 4.4

implemented by the TSXV on November 24, 2021. At the Meeting, Shareholders will be asked to approve the Option Plan as amended by the Board.

The purpose of the Option Plan is to offer to the Company's directors, officers, employees and consultants (and those of its affiliates) the opportunity to acquire a proprietary interest in the Company, thereby providing an incentive to such persons to promote the best interests of the Company, and to provide the Company with the ability to attract qualified persons as directors, officers and employees.

A summary of the material terms of the Option Plan are set out below. This summary is qualified in its entirety by the full text of the Option Plan which is available for review on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### Eligibility

Any officer, director, employee, management company employee, consultant or investor relations person of the Company or its wholly-owned subsidiaries (each as described in the Option Plan and each, an "Eligible Person") is eligible to receive options under the Option Plan. The Board has full and final authority to determine the Eligible Persons who are granted options under the Option Plan and the number of Shares subject to each option.

#### Shares Subject to Option Plan

The maximum number of Shares which are available for issuance under the Option Plan, together with any other security-based compensation plan of the Company, will not exceed 10% in the aggregate of the total number of Shares issued and outstanding from time to time. The Option Plan is an "evergreen plan" and accordingly, any issuance of Shares, including the issuances of Shares in respect of which options are exercised, and any expired or cancelled options, shall automatically replenish the number of Shares issuable under the Option Plan.

The maximum number of Shares which may be issued or reserved for issuance to any one Person (as described in the Option Plan), and companies wholly-owned by that Person, under the Option Plan within any 12-month period shall not exceed 5% of the issued and outstanding Shares, calculated on the date an option is granted to such Person, unless disinterested shareholder approval is obtained to exceed this limit.

#### Limits with Respect to Consultants and Investor Relations Person

The maximum number of options which may be granted to any one consultant under the Option Plan, together with any other of the Company's previously established and outstanding security-based compensation plans or grants, within any 12-month period, must not exceed 2% of the issued and outstanding Shares, calculated at the date an option is granted to such consultant (on a non-diluted basis).

The maximum number of options which may be granted to all investor relations persons under the Option Plan, together with any other of the Company's previously established and outstanding security-based compensation plans or grants, within any 12-month period, must not exceed 2% of the issued and outstanding Shares, calculated on the date an option is granted to any such investor relations person (on a non-diluted basis).

#### Exercise of Options

The exercise price of options issued may not be less than the "discounted market price" (calculated in accordance with the policies of the TSXV) of the Shares at the time the option is granted. In addition, the exercise price will not be lower than as permitted by applicable TSXV policies.

Subject to the provisions of the Option Plan and the particular option, an option may be exercised, in whole or in part, at any time prior to the expiry date of such option. In the event that the expiry date of an option falls during a trading blackout period imposed by the Company, the expiry date of such option shall be automatically extended to a date which is ten trading days following the end of such blackout period, subject to the provisions of the Option Plan. An optionholder may exercise an option by delivering a written notice of exercise to the Company along with

payment in cash, bank transfer or certified cheque for the full amount of the exercise price of the Shares then being purchased.

Term and Expiry Date

The period within which options may be exercised and the number of options which may be exercised in any such period are determined by the Board at the time of granting the options, provided, however, that the maximum term of any options awarded under the Option Plan is ten (10) years.

Vesting

All options granted pursuant to the Option Plan may vest and become exercisable at the discretion of the Board provided that if required by any stock exchange on which the Shares trade any options granted to investor relations persons must vest in stages over not less than 12 months with no more than one-quarter of the aggregated number of options vesting in any single three-month period.

Termination of Options

An optionee who ceases to be an Eligible Person for any reason, other than as a result of having been dismissed for cause or as a result of the optionee's death, may exercise any vested and unexpired options held by such optionee for a period of 90 days from the date of cessation (or until the normal expiry date of the Option rights of such optionee, if earlier), subject to extension by the Board to a maximum of one year with approval from the TSXV.

In the event of a death of the optionee during the currency of the optionee's option, any vested option theretofore granted to the optionee is exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the expiry date of the option.

Where the Company expects that an Exit Event (as defined below) will occur, the Board may exercise its discretion to:

- (a) waive any vesting condition and/or deem any vesting condition to be satisfied; and/or
- (b) procure the purchase or cancellation of any or all options which have not been exercised (subject to the Exit Event occurring) for: (A) an amount agreed with the optionee; or (B) an amount determined by the Board to be equivalent to the consideration that the optionee would have received (less any amounts payable) on completion of the Exit Event; and/or
- (c) cancel any or all options and arrange for options to acquire shares in the bidder to be granted or issued on substantially the same terms as such options, with any appropriate adjustments decided by the Board; and/or
- (d) do nothing, and allow the options to continue in accordance with their terms.

An "**Exit Event**" means the first to occur of:

- (a) the date on which shares are either or both allotted or transferred under a prospectus (or other relevant offer document) lodged with the Australian Securities and Investments Commission (or an equivalent relevant regulatory body in another jurisdiction) in relation to an initial public offering;
- (b) the date on which an agreement for the sale to a third party purchaser of all of the issued and outstanding Shares is completed; and
- (c) the date on which, following a Trade Sale (as defined in the Option Plan) and following the passing of a resolution of Shareholders to approve the distribution and payment to Shareholders of the proceeds of sale



that are available for distribution or payment to Shareholders, whether in a winding up, by return of capital, share buy-back or otherwise, those proceeds are paid to Shareholders, or such earlier date that the Company gives notice to the optionees for the purposes of the Option Plan that it deems an Exit Event to have occurred.

*Non-Assignability and Non-Transferability*

Options granted under the Option Plan will be non-assignable and non-transferable by an optionee other than pursuant to a will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

*Adjustments in Shares Subject to Option Plan*

The Option Plan contains provisions for the treatment of options in the event of a reorganization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or Shares of the Company. The options granted under the Option Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of Shares covered by such options and in the exercise price in the event of such change, provided that any adjustment, other than in connection with a security consolidation or security split, to Options granted under the Option Plan must be subject to the prior acceptance of the TSXV, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

*Tax Concessions*

In the case of the Start-Up Plan, the issuance of options and Shares to a Participant under the Start-Up Plan are eligible for the "start-up" tax concession in Section 83A-33 of the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth) or both (together, the "**Tax Act**"). If that concession is not available, it is intended that the issue of options and Shares to a Participant under the Start-Up Plan is a scheme to which Subdivision 83A-C of the Tax Act applies.

The foregoing summary of the Option Plan is not complete and is qualified in its entirety by reference to the Option Plan which is available for review on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

**Share Unit Plan**

The Company has a share incentive plan (the "**Incentive Plan**"), approved by shareholders of the Company on November 25, 2021, which contains the provisions set out below. The Company has in place a share incentive plan (the "**Incentive Plan**"), approved by shareholders of the Company on November 25, 2021, which provides for the grant of restricted share units ("**RSUs**") and performance share units ("**PSUs**" and together with the RSUs, "**Share Units**" or "**Awards**"). Subsequently, the Board made certain amendments to the Incentive Plan to ensure its compliance with Policy 4.4. At the Meeting, Shareholders will be asked to approve the Option Plan as amended by the Board.

The purpose of the Incentive Plan is to offer to the Company's directors, officers, employees and consultants (and those of its affiliates) the opportunity to acquire a proprietary interest in the Company, thereby providing an incentive to such persons to promote the best interests of the Company, and to provide the Company with the ability to attract qualified persons as directors, officers and employees.

The following is a summary of the key provisions of the Incentive Plan. The following summary is qualified in its entirety by the full text of the Incentive Plan, a copy of which is available for review on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). All terms used but not defined in this section have the meaning ascribed thereto in the Incentive Plan.

Purpose

The purpose of the Incentive Plan is:

- (a) to increase the interest in the Company's welfare of those employees, officers, directors and consultants and Management Company Employees (who are considered "Eligible Participants" under the Incentive Plan) who share responsibility for the management, growth and protection of the business of the Company or a subsidiary of the Company;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a subsidiary of the Company and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a subsidiary of the Company are necessary or essential to its success, image, reputation or activities;
- (c) to reward Eligible Participants for their performance of services while working for the Company or a subsidiary of the Company;
- (d) to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Shares by key employees, consultants and directors of the Company, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging employees, consultants, management company employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Company; and
- (e) to provide a means through which the Company or a subsidiary of the Company may attract and retain able persons to enter its employment or service.

Plan Administration

The Incentive Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. Subject to the terms of the Incentive Plan, applicable law and the rules of the TSXV, the Board (or its delegate) has the power and authority to: (i) designate the Eligible Participants who will receive Awards (an Eligible Participant who receives an Award, a "Participant"), (ii) designate the types and amount of Awards to be granted to each Participant, (iii) determine the terms and conditions of any Award, including any vesting conditions or conditions based on performance of the Company or of an individual ("**Performance Criteria**"); (iv) interpret and administer the Incentive Plan and any instrument or agreement relating to it, or any Award made under it; and (v) make such amendments to the Incentive Plan and Awards as are permitted by the Incentive Plan and the policies of the TSXV.

Shares Available for Awards

Subject to adjustment as provided for under the Incentive Plan, and as may be approved by the TSXV and the shareholders of the Company from time to time, the maximum number of Shares capable of being issued, in the aggregate, pursuant to the settlement of Share Units granted under the Incentive Plan shall not exceed 7,959,458 Shares.

Participation Limits

The Incentive Plan provides the following limitations on grants:

- (a) In no event shall the Incentive Plan, together with all other previously established and outstanding security based compensation arrangements of the Company (the "**Security Based Compensation**"), permit at any time (unless the Company has obtained the requisite disinterested shareholder approval):

- (i) the grant to Insiders (as a group) of an aggregate number of Awards exceeding 10% of the issued and outstanding Shares at any point in time; or
  - (ii) the grant to Insiders (as a group), within any 12 month period, exceeding 10% of the issued and outstanding Shares, calculated at the date an Award is granted to any Insider.
- (b) The aggregate number of Awards granted to any one person (and companies wholly-owned by that person), together with all other previously established and outstanding Security Based Compensation, in any 12 month period shall not exceed 5% of the issued and outstanding Shares on a non-diluted basis, calculated on the date an Award is granted to the person, unless the Company has obtained the requisite disinterested shareholder approval.
- (c) The aggregate number of Awards, together with all other previously established and outstanding Security Based Compensation, granted to any one Consultant in any 12 month period shall not exceed 2% of the issued and outstanding Shares on a non-diluted basis, calculated at the date an Award is granted to the Consultant.
- (d) Without the prior approval of the TSXV, no Shares may be issuable under the Incentive Plan to any persons retained to provide Investor Relations Activities to the Company.

Eligible Participants

In respect of a grant of Share Units, an Eligible Participant is any director, executive officer, employee or Consultant of the Company or any of its subsidiaries other than persons retained to provide Investor Relations Activities.

Description of Awards - Share Units

A Share Unit is an Award that is a bonus for services rendered in the year of grant or to attract talent via sign-on agreements, that, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Share or, at the sole discretion of the Board (as indicated in the applicable Participant's Share Unit Agreement), a Share. The right of a holder to have their Share Units redeemed is subject to such restrictions and conditions on vesting as the Board may determine at the time of grant. Restrictions and conditions on vesting conditions may, without limitation, be based on the passage of time during continued employment or other service relationship (commonly referred to as an RSU), the achievement of specified Performance Criteria (commonly referred to as a PSU) or both. The grant of a Share Unit by the Board shall be evidenced by a Share Unit Agreement in such form not inconsistent with the Incentive Plan.

The Board shall have sole discretion to determine if any vesting conditions with respect to a Share Unit, including any Performance Criteria, or other vesting conditions with respect to a Share Unit, as contained in the Share Unit Agreement, have been met and shall communicate to a Participant as soon as reasonably practicable the date on which all such applicable vesting conditions or Performance Criteria have been satisfied and the Share Units have vested, provided that Share Units must be subject to a minimum 12 month vesting period following the date the Share Unit is granted or issued, subject to acceleration of vesting in certain cases in accordance with the terms of the Plan and TSXV Policy 4.4. Subject to the vesting and other conditions and provisions in the Incentive Plan and in the applicable Share Unit Agreement, each Share Unit awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares as the Board in its sole discretion may determine, in each case less any applicable withholding taxes. The Company (or the applicable subsidiary) may, in its sole discretion, elect to settle all or any portion of the cash payment obligation by the delivery of Shares capable of issuance or acquired by a Designated Broker in the open market on behalf of the Participant. Subject to the terms and conditions in the Incentive Plan, and in accordance with the terms of each Participant's Share Unit Agreement, vested Share Units shall be redeemed in consideration for a cash payment as follows:

- (a) if the Share Unit Agreement permits, at the sole discretion of the Participant for those vested Share Units on the date of delivery by the Participant to the Company of the notice of exercise of Share Units;
- (b) unless otherwise stated in the Share Unit Agreement, automatically on the date that is the 15<sup>th</sup> day following the applicable Vesting Date for such vested Share Units; or
- (c) automatically on the share unit outside expiry date, being no later than December 15<sup>th</sup> of the fifth calendar year following the end of the calendar year in which such Share Unit is issued.

Notwithstanding the foregoing, if the date on which any Share Units would otherwise vest falls within a Blackout Period, the vesting date of such Share Units will be deemed to be the date that is the earlier of 10 Business Days after the Blackout Period expiry date and the Share Unit expiry date.

Effect of Termination on Awards

Except as otherwise provided in any Employment Agreement or Consulting Agreement or in any Award Agreement, Awards are subject to the following conditions:

- (a) Resignation or summary dismissal: Upon a Participant ceasing to be an Eligible Participant for summary dismissal (as defined in the employment agreements or other contractual agreements between the Participant and the Company) or as a result of his or her resignation from the Company or a subsidiary, the Participant's participation in the Incentive Plan shall be terminated immediately, and all Share Units credited to such Participant's account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested Share Units shall be forfeited and cancelled on the termination date, unless otherwise extended by the Board but in no case shall such extension be greater than a period of 12 months following the applicable termination date.
- (b) Death, leave of absence or termination of services: Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant electing a voluntary leave of absence of more than 12 months, including maternity and paternity leaves, or upon a Participant ceasing to be an Eligible Participant as a result of (a) death, (b) retirement, (c) termination of services for reasons other than for summary dismissal, (d) his or her employment or service relationship with the Company, or a subsidiary of the Company, being terminated by reason of injury or disability or (e) becoming eligible to receive long-term disability benefits, all unvested Share Units in the Participant's account as of such date relating to a restricted period in progress shall be forfeited and cancelled.
- (c) Termination in Connection with a Change of Control: If the Company completes a transaction constituting a Change of Control and within 12 months following the Change of Control, a Participant who was also an officer or employee of, or a consultant to, the Company prior to the Change of Control ceases to be an Eligible Participant, all unvested Share Units shall become vested, and the date of such Participant's termination date shall be deemed to be the vesting date, provided that such acceleration shall not result in the vesting date of such Share Units occurring prior to the date that is one year from the date of grant of such Share Units unless the Change of Control occurs concurrently with the Participant ceasing to be an Eligible Participant.

Change of Control

In the event of a potential Change of Control, the Board may also exercise its discretion to determine the manner in which any or all of Awards (whether vested or unvested) and any Shares issued upon exercise (the "**Resulting Shares**") (as applicable) will be dealt with, and may, among other things, accelerate the vesting of, or waive the

Performance Criteria or other vesting conditions applicable to, outstanding Share Units, the date of such action shall be the vesting date of such Share Units, provided that such acceleration or waiver shall not result in the Vesting Date of such Share Units occurring prior to the date that is one year from the date of grant of such Share Units.

Assignment

Except as set forth in the Incentive Plan, each Award granted under the Incentive Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of descent and distribution.

Amendment or Discontinuance

The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue the Incentive Plan and may amend the terms and conditions of any Awards granted thereunder, subject to (a) any required approval of any applicable regulatory authority or exchange, and (b) any required approval of shareholders of the Company in accordance with Policy 4.4 or applicable law. Without limitation, shareholder approval shall not be required for the following amendments:

- (a) amendments to fix typographical errors;
- (b) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions; and
- (c) amendments that are necessary to comply with applicable law or the requirements of an exchange.

If the Incentive Plan is terminated, Awards granted or issued prior to the date of termination shall remain outstanding and in effect in accordance with their applicable terms and conditions.

**Employment, Consulting and Management Agreements and Termination and Change of Control Benefits**

During the most recently completed financial year, the Company has had in place an executive employment agreement (the "**Executive Employment Agreement**") with Craig Nicol, the CEO and Managing Director of the Company (the "**Executive**"). The Company previously had an executive employment agreement in place with Chris Ohlrich, the former CFO of the Company, but the agreement was terminated on June 3, 2022.

The material terms of the signed and completed Executive Employment Agreement are set forth below:

- **Salary:** The Executive's annual base salary is \$310,000.
- **Superannuation:** The Company will make a mandatory annual superannuation contribution on behalf of the Executive of \$32,250.
- **Allowances:** The Executive is entitled to \$100 per month for mobile phone allowance and reasonable professional association membership fees, and may be reimbursed for all authorized travel, accommodation and other business-related expenses reasonably incurred in the performance of the Executive's duties.
- **Annual Leave:** The Executive is entitled to four weeks annual leave and other statutory leave in accordance with the provisions under the Fair Work Act (Australia).
- **Termination for Reasons Other Than Cause:** Either party may terminate the Executive Employment Agreement by providing the other party with 6 months' prior written notice, or such shorter time as may

be agreed by the Executive and the Company. On or before the expiry of such written notice or agreed upon shorter time, the Company will pay to the Executive the following amounts, if applicable, less any deductions of outstanding advances or other payment due to the Company by the Executive: i) the outstanding annual remuneration that is due and owing on to date of termination; (ii) any amount payable in respect of accrued and undertaken annual leave; (iii) any amount to which they are entitled in respect of accrued and undertaken long service leave; and (iv) any reasonable out of pocket expenses that the Executive has incurred and would have been reimbursable in the event the employment with the Company had continued. The Company may at its discretion make payment to the Executive in lieu of part of or all of such notice period for an amount equal to the proportion of the Executive's annual salary.

- **Termination for Cause:** The Company may immediately terminate the Executive Employment Agreement by providing the Executive with written notice, if the Executive: i) commits any act which may detrimentally affect the Company including, but not limited to, an act of dishonesty, fraud, willful disobedience, serious misconduct or breach of duty; ii) willfully, persistently and materially breaches any of the provisions of the Executive Employment Agreement; iii) fails to comply with a material provision of the policies or procedures of the Company as determined from time to time; iv) refuses or in any way materially fails to perform the Executive's duties or to observe or perform any of the provisions in the Executive Employment Agreement that bind the Executive within 30 days of receiving notice from the Company to do so; v) accepts any form of commission or payment from a third party for services rendered by the Company which was not pre-approved in writing by the Board; vi) is charged with, or convicted, of any criminal offence which, in the opinion of the board, may embarrass or bring the Executive or the Company into disrepute; vii) is or becomes totally or permanently disabled; or viii) is of unsound mind or becomes liable to be dealt with under any law relating to mental health. If the Executive Employment Agreement is terminated immediately in accordance with its terms, the Company is not required to provide a notice period and the effective date of termination will be the date that the Company provides written notice of immediate termination to the Executive.
- **Change of Control:** If a Change of Control (as defined below) occurs during the Executive's employment, and at any time within eighteen (18) months of that Change of Control having occurred, the Executive is not required to continue in the position noted in the Executive Employment Agreement and is not offered employment in an equivalent position, then the Company will pay to the Executive a lump sum payment in the amount of twenty-four (24) months of base salary, in addition to any other entitlements the Executive may have accrued up to that such time. For the purposes of the Executive Employment Agreements, a "Change of Control" means where a person or a person and its associates by itself or together with its associates acquires 50% or more of the Voting Shares (as such term is defined in Section 9 of the Corporations Act 2001 (Australia)) of the Company.

The Executive would be entitled to a payment by the Company of \$620,000 (24 months annual base salary) in the event of a Change of Control, excluding any potential payment for each completed year of service with any Related Body Corporate.

- **Non-Competition and Non-Solicitation:** The Executive is subject to 6-month non-solicitation clause in relation to the employees of the Company and the employees of related entities of the Company. The Executive is also subject to non-competition restrictions which apply during the course of employment and within twelve (12) months following the termination of the Executive Employment Agreement.

#### **Oversight and Description of Director and Named Executive Officer Compensation**

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole, based upon the recommendations of the Remuneration Committee. The Board also assumes responsibility for reviewing and

monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company's shareholders. In the Board's view, paying salaries which are competitive in the markets in which the Company operates and in Australia where senior management is based, is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines the compensation for the CEO. The compensation of the Company's executives is determined by the Board after the recommendation of the Remuneration Committee. In each case, the Board takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates in Australia where senior management is based.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

#### **Executive Compensation**

Except for the grant of incentive stock options to the NEOs and any compensation payable pursuant to an Executive Employment Agreement between the CEO and the Company, there are no arrangements under which NEOs were compensated by the Company during the most recently completed financial year for their services in their capacity as NEOs, directors or consultants.

#### **Director Compensation**

The executive directors received no cash compensation for acting in their capacity as directors of the Company during the most recently completed financial year.

Except for the grant to directors of stock options, there were no arrangements under which directors were compensated by the Company during the most recently completed financial year for their services in their capacity as directors.

#### **Share-Based Awards**

The Company has the Incentive Plans in place, which were established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the

Company. Management proposes Award grants to the Board based on such criteria as performance, previous grants, and hiring incentives. The Board administers the Incentive Plans and all Award grants require Board approval. The Incentive Plans allow Awards to be issued to directors, officers, employees or consultants of the Company.

In compensating its senior management, the Company employs a combination of salary and equity participation. The Board is of the view that encouraging its executives and employees to hold shares of the Company is the best way to align their interests with those of the Company's shareholders. Equity participation is accomplished through the Incentive Plans. See "Statement of Executive Compensation - Stock Options and Other Compensation Securities" and "Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans", above.

Awards are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. The amounts and terms of Awards granted are determined by the Board based on recommendations put forward by the CEO. Due to the Company's limited financial resources, Awards are an important part of executive compensation to assist in maintaining executive motivation.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

#### Pension Plan Benefits

The Company makes superannuation contributions for the benefit of Australian resident employees as required by legislation to complying superannuation funds nominated by the employee, which is currently 10.5% of salary.

#### Companies Reporting in the United States

The Company is not an SEC issuer.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

#### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights <sup>(1)</sup> (a)	Weighted-average exercise price of outstanding options and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup> (c)
Equity compensation plans approved by securityholders	4,902,408	\$0.50	2,974,071
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	4,902,408	\$0.50	2,974,071

(1) Represents the number of Shares available for issuance upon exercise of outstanding stock options, restricted share units and performance share units as at June 30, 2022.



- (2) *Represents the number of Shares remaining available for future issuance under stock options, restricted share units and performance share units available for grant as of June 30, 2022 under the Option Plan and the Company's share incentive plan.*

### **Equity Compensation Plans**

Please see "Particulars of Other Matters to be Acted Upon – Annual Approval of Rolling 10% Stock Option Plan" for more details on the Option Plan and "Particulars of Other Matters to be Acted Upon – Annual Approval of Share Incentive Plan" for more details on the Company's share incentive plan.

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

As at the Record Date, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or, which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, in relation to a securities purchase program or other program.

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

No informed person (as defined in National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102")) or proposed Director and no associate or affiliate of the foregoing persons has or has had 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 in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

### **APPOINTMENT OF AUDITORS**

BDO Audit Pty Ltd., of Level 10, 12 Creek Street, Brisbane, Queensland, Australia 4000 are the auditors of the Company. BDO Audit Pty Ltd. were first appointed as auditors of the Company on August 25, 2020. **Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of BDO Audit Pty Ltd. as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.**

### **MANAGEMENT CONTRACTS**

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

## **AUDIT COMMITTEE**

NI 52-110 requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

### **The Audit Committee's Charter**

The Company's Audit Committee Charter is reproduced in Schedule "A" hereto.

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

The following are the members of the Audit Committee:

Robert Shewchuk	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
William Ollerhead	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Guy Outen	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Emma FitzGerald	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

(1) As defined by National Instrument 52-110 – Audit Committees ("NI 52-110").

### **Relevant Education and Experience**

Set out below is a general description of the education and experience of each Audit Committee member which is relevant to the performance of his responsibilities as an Audit Committee member.

- *Robert Shewchuk* – Mr. Shewchuk has over 20 years of experience in the capital markets sphere. Mr. Shewchuk is the President and CEO of LithiumBank Resources Corp, Director of Spectre Capital Corp and Director of Verses Technologies Inc. He began his career as an Equities Trader on the floor of the Alberta Stock Exchange in 1995 for Yorkton Securities Inc. He became a licensed broker at Yorkton in 1998 and worked on the Equities desk through 2004. Mr. Shewchuk joined Standard Securities Capital Corporation where he became Chairman in 2006. He merged Standard 61 Securities with Wolverton Securities Ltd in 2009 and became a Director of Wolverton Securities until 2016 when it was purchased by PI Financial Corp.
- *William Ollerhead* – Mr. Ollerhead has over 30 years of experience in the Canadian capital markets and corporate finance field. Mr. Ollerhead presently serves on the board of directors of Thermal Energy International Inc. (TSX-V: TMG), where he is the chair of its audit committee. He is also a co-founder, and the President and CEO, and a Director, of Cuspis Capital II Ltd and Cuspis Capital III Ltd. Mr. Ollerhead has served on the boards of both public and private companies, and not-for-profit organizations, in various capacities, including chairman, director, and as a member and chair of audit committees. In 1997, he founded Ollerhead Capital. Mr. Ollerhead holds a B.A. with a concentration in Statistics from the University of Western Ontario, and an M.B.A. with a concentration in Finance from McGill University. In 2010, he completed the Directors Education Program at the Institute of Corporate Directors at University of Toronto's Rotman School of Management.
- *Guy Outen* – Mr. Outen had over 35 years of experience with Shell plc Group of companies in various roles including EVP Strategy & Portfolio where he worked with the Shell CEO and Board to reset Shell's strategy and create amongst other outcomes Shell's New Energies business. Mr. Outen has a Bachelor of Commerce (Honors) and a Master of Commerce (Economics) from Melbourne University. He is Fellow of the Australian Society of Certified Practising Accountants (FCPA) and Chartered Governance Institute (FCG); a Member of the Institute of Directors UK and the Australian Institute of Company Directors (AICD).
- *Dr. Emma FitzGerald* – Dr. FitzGerald has over 25 years of leadership experience with global businesses in the Water and Energy sectors. Most recently she was CEO of Puma Energy focused on delivering affordable

and sustainable energy solutions to emerging markets in Africa, Central America and Asia. Prior to this she managed gas, water and waste networks for National Grid and Severn Trent in the United Kingdom. She has spent many years managing Downstream Retail, Lubricants and LPG businesses for Shell plc around the world. Over the last ten years Dr. FitzGerald has served on the boards of publicly listed, privately owned and not-for-profit organisations in both executive and non-executive capacities. She is currently a Non-Executive Director of UPM Kymmene, Seplat Energy and Newmont Corporation. She is also a Mentor on the climate workstream for the Creative Destruction Lab, a not-for-profit organisation focused on the scaling of innovative solutions to accelerate energy transition. Dr. FitzGerald has a PHD in surface chemistry/materials science from Oxford University and an MBA from Manchester Business School.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "*Audit Committee - The Audit Committee's Charter - External Auditors*".

### **External Auditors Service Fees (By Category)**

The aggregate fees billed to the Company for the last two (2) fiscal years by BDO Audit Pty Ltd., Charter Professional Accountants, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
June 30, 2022	\$50,382	\$30,962	\$0	\$45,397 <sup>(5)</sup>
June 30, 2021	\$42,014	\$45,838	\$0	\$0

(1) "Audit Fees" include the aggregate fees billed in each financial year for audit fees.

(2) "Audit Related Fees" include the aggregate fees in each financial year for assurance and related services to the performance of the audit or review of the Company's financial statements not already disclosed under "Audit Fees".

(3) "Tax Fees" are the aggregate fees billed by the auditor for tax compliance, tax advice and tax planning.

(4) "All Other Fees" include aggregate fees billed for products or services not already reported in the above table.

(5) \$45,397 was paid to BDO Corporate Finance Ltd., a network firm of BDO Audity Pty Ltd., for financial modeling consultation costs.

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

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making. A Board Charter is in place and operating and published on the Company's web site.

Canadian National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, 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 and therefore these guidelines have not been adopted. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

### **Independence of Members of the Board**

As of the date of this Circular, the Company's Board consists of six (6) Directors, three (3) of whom are independent based upon the tests for independence set forth in NI 52-110. Guy Outen, William Ollerhead and Emma FitzGerald are independent. Craig Nicol is not independent as he is the Chief Executive Officer of the Company; Frederick Kotzee is not independent as he is the Chief Financial Officer of the Company; and Robert Shewchuk is not independent by virtue of his receipt of securities of the Company (options) pursuant to capital raising advisory work.

### **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. 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 and supervising the operations of the Company and have regular and full access to management. The independent Directors are, however, able to meet at any time without any members of management including the non-independent Directors being present. Further supervision is performed through the Audit Committee and Remuneration Committee. The Board may appoint from time to time a lead Director to direct Board operations.

The Board met 11 times during fiscal year 2022.

### **Participation of Directors in Other Reporting Issuers**

The participation of the Directors in other reporting issuers is described in the table provided under "*Election of Directors*" in this Circular.

### **Orientation and Continuing Education**

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

- (a) information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
- (b) access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information; and
- (c) access to management, technical experts and consultants.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members are involved in "deep dive" meetings with management on important topics regarding the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board, through its meetings with management and other informal discussions with management, encourages a culture of ethical business conduct and believes the Company's high caliber management team promotes a culture of ethical business conduct throughout the Company's operations and is expected to monitor the activities of the Company's employees, consultants and agents in that regard.

### **Nomination of Directors**

The Board has the responsibility of providing recommendations relating to board size and composition, the candidate selection process and the orientation of new members. The recruitment of new candidates for Board nomination has involved both formal and informal discussions among the Board and the CEO.

### **Compensation of Directors and the CEO**

The Remuneration Committee has the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the Remuneration Committee review compensation paid for Directors and CEOs of companies of similar size and stage of development including those in industrials, chemicals and materials with the support of an independent consultant to determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the Remuneration Committee annually reviews the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

### **Board Committees**

As at the date of this Circular, the Company has three (3) committees at present, being the Audit Committee, the Remuneration Committee and the Sustainability Committee.

The Audit Committee is, at present, comprised of four (4) of the Company's six (6) Directors: Guy Outen (Chair), Robert Shewchuk, William Ollerhead and Emma FitzGerald.

The Sustainability Committee is, at present, comprised of four (4) of the Company's six (6) Directors: Guy Outen (Chair), Robert Shewchuk, William Ollerhead and Emma FitzGerald.

The Remuneration Committee is, at present, comprised of four (4) of the Company's six (6) Directors: Guy Outen (Chair), Robert Shewchuk, William Ollerhead and Emma FitzGerald.

As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger Board, the Board has determined that additional standing committees are not necessary at this stage of the Company's development. The Board will consider additional Board members and standing committees as appropriate as the Company progresses.

## **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board monitors, but does not formally assess, the performance of individual Board members or committee members or their contributions.

## **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Annual Approval of Rolling 10% Stock Option Plan**

#### ***Background Information***

The Company's Option Plan was effective immediately upon the approval of the Board on November 2, 2018, when the Company was a non-reporting issuer. The Company became listed on the TSXV effective April 15, 2021, and, in connection therewith, the Option Plan was amended by the Board on March 31, 2021 to comply with the policies of the TSXV. Subsequently, the Board further amended the Option Plan to comply with amendments to Policy 4.4 implemented by the TSXV on November 24, 2021. At the Meeting, Shareholders will be asked to approve the Option Plan as amended by the Board.

A summary of the material terms of the Option Plan as amended by the Board is set out above under the heading "*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans – Stock Option Plan*". This summary is qualified in its entirety by the full text of the Option Plan which is available for review on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Company currently has 79,594,586 issued and outstanding Shares, meaning that the number of stock options currently available for grant under the Option Plan would be 10% of that number (on a rolling basis) or 7,959,458 Shares. As of the date of this Circular, the Company had 4,498,559 stock options outstanding under the Option Plan..

#### ***The TSXV Requires Annual Shareholder Approval for the Option Plan***

The Company's Option Plan is a rolling stock option plan which sets the maximum number of stock options available for grant by the Company at an amount equal to 10% of the Company's issued and outstanding Shares from time to time. Under TSXV policies, the Company's Option Plan must be approved and ratified by the Shareholders on an annual basis.

#### ***Shareholder Approval Being Sought***

A copy of the Option Plan is available upon request to any Shareholder of the Company, at no charge, any of whom may contact the Company through its website: <https://graphenemg.com/contacts-us/>.

The Board and management consider the approval of the Option Plan to be appropriate and in the best interests of the Company. Therefore, at the Meeting, Shareholders will be asked to pass a resolution in the following form, subject to such amendments, variations or additions as may be approved at the Meeting:

#### **"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the Company authorize, approve, ratify and confirm, subject to regulatory approval, the Option Plan pursuant to which the board of directors of the Company may, from time to time, authorize the issuance of stock 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 common shares being reserved to any one person on a yearly basis; and

2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution."

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

### **Annual Approval of Share Incentive Plan**

#### ***Background Information***

The Company has in place a share incentive plan (the "**Incentive Plan**"), approved by shareholders of the Company on November 25, 2021, which provides for the grant of restricted share units ("**RSUs**") and performance share units ("**PSUs**" and together with the RSUs, "**Share Units**"). Subsequently, the Board made certain amendments to the Incentive Plan to ensure its compliance with Policy 4.4.

A summary of the material terms of the Incentive Plan as amended by the Board is set out above under the heading "*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans – Incentive Plan.*" This summary is qualified in its entirety by the full text of the Incentive Plan which is available for review on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Incentive Plan sets the actual number of Shares capable of being issued at any given time, in the aggregate, pursuant to the settlement of Share Units granted under the Incentive Plan at 7,959,458 Shares. For clarity, the maximum number of Shares capable of being issued under the Incentive Plan may be comprised either entirely of Shares capable of being issued pursuant to the settlement of RSUs or PSUs, or a combination of Shares capable of being issued pursuant to the settlement of Share Units, provided that the number of such shares settling Share Units does not exceed 7,959,458 Shares.

#### ***The TSXV Requires Annual Shareholder Approval for the Incentive Plan***

The Company's Incentive Plan is a fixed incentive plan which sets the maximum number of Share Units available for grant by the Company at 7,959,458 Shares. Because the Company's Option Plan is a 10% rolling plan, under TSXV policies, the Company's Incentive Plan must also be approved and ratified by the Shareholders on an annual basis. Accordingly, at the Meeting, shareholders of the Company will be asked to pass a resolution to approve the Incentive Plan.

#### ***Shareholder Approval Being Sought***

At the Meeting, shareholders of the Company will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the "**Share Incentive Plan Resolution**") confirming and approving the Incentive Plan as described below.

In order to be passed, the Share Incentive Plan Resolution requires the approval of a majority of the votes cast thereon by shareholders of the Company present in person or represented by proxy at the Meeting. The directors of the Company unanimously recommend that shareholders vote in favour of the Share Incentive Plan Resolution. **The persons named in the form of proxy accompanying this Circular intend to vote FOR the Share Incentive Plan Resolution, unless the shareholder of the Company who has given such proxy has directed that the Shares represented by such proxy be voted against the Share Incentive Plan Resolution.**

**"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF DISINTERESTED SHAREHOLDERS THAT:**

1. the share incentive plan of the Company available for review on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) and described in the management information circular of the Company dated October 18, 2022 be, and the same hereby is, authorized, approved, ratified and confirmed as a share incentive plan of the Company, subject to regulatory approvals;
2. the maximum number of Shares capable of being issued, in the aggregate, pursuant to the settlement of Share Units granted under the Incentive Plan shall not exceed 7,959,458 Shares;
3. the directors of the Company be expressly authorized to revoke this resolution and not proceed with the adoption of the share incentive plan of the Company without requiring further approval of the shareholders in that regard; and
4. any one officer or any one director of the Company be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or to cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all such agreements, instruments, certificates, undertakings and other documents, and to do or to cause to be done all such other acts and things, as any one of them shall consider necessary or desirable to give effect to the intent of this resolution."

**ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at the Company's website: <https://graphenemg.com/contacts-us/> to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative audited consolidated financial statements and MD&A for its most recently completed financial year ended June 30, 2022, which are filed on SEDAR and will be placed before Shareholders at the Meeting.

**OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

**DIRECTORS' APPROVAL**

The Board has approved the contents of this Circular and its distribution to each Shareholder entitled to receive notice of the Meeting.

DATED at Brisbane, Australia this 18<sup>th</sup> day of October, 2022.

**BY ORDER OF THE BOARD**

"Guy Outen"

Guy Outen

Board Chair and Non-Executive Director



## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

#### Purpose

- 1.1. The Audit Committee is responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:
  - (a) support the Board of Directors (Board) in meeting its responsibilities to shareholders;
  - (b) verify the independence of the external auditor;
  - (c) facilitate effective communications between Management and the external auditor and provide a link between the external auditor and the Board; and
  - (d) increase the credibility and objectivity of the Company's financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board from time to time prescribe.

#### **2. Role and Responsibilities**

The Audit Committee is not a policy-making body nor does it have substantive executive function. However, it assists the Board in developing board policy and monitoring corporate activity within the scope of its remit, and making recommendations to the Board for resolution. The role of the Audit Committee includes assisting the Board with the company's governance and exercising of due care, diligence and skill in relation to:

- (a) reporting financial information to users of financial reports;
- (b) application of accounting policies;
- (c) financial management;
- (d) the internal control system;
- (e) the risk management system;
- (f) the performance management system;
- (g) business policies and practices;
- (h) protection of the company's assets;
- (i) compliance with applicable laws, regulations, standards and best practice guidelines.

Other committee objectives include:

- (j) improving the credibility and objectivity of the accountability process, including financial reporting;
- (k) overseeing the effectiveness of the internal and external audit functions and providing a forum for communication between the board and the internal and external auditors;
- (l) ensuring the independence of the external auditor;
- (m) providing a structured reporting line for internal audit and monitoring the objectivity and independence of the internal auditor;
- (n) assuring the quality of internal and external reporting of financial and non-financial information; and
- (o) ensuring an ethical culture is embedded throughout the company.

### **3. Membership**

- 3.1. Each member of the Audit Committee must be a director of the Company.
- 3.2. The Board of Directors will appoint the Audit Committee members and the Chair of the committee, usually on the recommendation of the Nominating Committee, if there is one.
- 3.3. The Audit Committee will consist of at least three members, and usually no more than five members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 3.4. Each Audit Committee member will be financially literate and the majority will be independent.
- 3.5. The membership of the Audit Committee will be reviewed annually by and will serve at the discretion of the Board.
- 3.6. At least one member of the Audit Committee will have relevant qualifications and experience – for example, a qualified accountant holding a current accounting qualification, CPA or CA, or a finance professional with experience of financial and accounting matters.
- 3.7. The Chair of the committee must be non-executive and independent. The Board Chair is not excluded from being the Audit Committee Chair.

### **4. Invitees**

Other people may attend meetings of the Audit Committee by invitation, for example the:

- Chief Executive Officer;
- Chief Financial Officer;
- Company Secretary;
- head of internal audit if such exists;

- external audit provider.

They may take part in the business and discussions but have no voting rights. Sometimes all executive and Management personnel will be asked to leave the meeting because the committee requires a closed session with or without the external audit provider.

## **5. Authority**

5.1. The Board authorises the Audit Committee, through the Audit Committee Chair, to:

- (a) oversee the appointment, compensation and work of any registered company auditor employed by the organisation;
- (b) resolve any disagreements between Management and the auditor on financial reporting;
- (c) pre-approve all auditing and non-audit services;
- (d) retain independent counsel, accountants or others to advise the audit committee or assist in the conduct of an investigation;
- (e) seek any information it requires from employees directed to co-operate with the Audit Committee's requests, or from external parties.

## **6. Meetings**

- 6.1. A quorum will be more than half of the members. In the Chair's absence, the members who are present will select a Chair for that particular meeting.
- 6.2. The Audit Committee will meet at least four times a year and hold extra meetings as required. A request for a meeting from the internal or external auditors must be met.
- 6.3. All Audit Committee members are expected to attend each meeting in person or by other approved means such as teleconferencing or video conferencing.
- 6.4. The notice and agenda of a meeting will include relevant supporting papers.
- 6.5. The Audit Committee may invite other people to attend a meeting, consult other people or seek any information considered necessary to fulfil its responsibilities.

The members may meet separately with auditors.

## **7. Voting**

Matters will generally be decided by consensus or, if a consensus cannot be reached, by a majority of votes from the members present.

## **8. Conflicts of interest**

Committee members will be invited to disclose conflicts of interest at the start of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once they have been acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest they will be excused from committee discussions about the issue where a conflict exists.

**9. Secretariat duties**

The company secretary or another appropriate, designated person will act as secretary to the audit committee. The secretary will help the Chair to develop and distribute the agenda, papers, minutes and calendar.

**10. Reporting to the board**

The Chair of the Audit Committee is to report to the Board following each committee meeting. The Chair may distribute a copy of the minutes supplemented with other necessary information, including recommendations requiring board action and/or approval. The Chair is to organise the information relating to the Audit Committee to be included in the Company's annual report.

**11. Minutes**

Minutes must be prepared, approved by the Chair and circulated to the members within two weeks of a committee meeting. The minutes must be ratified and signed by the Chair at the following meeting.

**12. Reviews**

The Audit Committee will review its performance on an annual basis. The review may be conducted as a self-assessment and will be coordinated by the Chair. The assessment may seek input from any person. Training needs will be monitored by the Chair. The Audit Committee should review this charter and its composition annually to ensure that it remains consistent with the Board's objectives and responsibilities. The Board should consider the committee's review and either approve or further review the committee's charter and/or composition.

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