

## INFORMATION CIRCULAR

**E3 Metals Corp.**  
2300, 150 9<sup>th</sup> Avenue S.W.  
CALGARY, ALBERTA T2P 3H9

### PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of E3 Metals Corp. (the “Corporation”) for use at the Annual General Meeting of the Corporation’s shareholders (the “Meeting”) to be held virtually on Thursday, December 17, 2020 at 2 p.m. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

Due to the COVID-19 pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Company’s Meeting, the Company respectfully asks that all shareholders do not attend the Meeting in person. The Company requests that shareholders who wish to participate by listening to the Meeting, contact the Company by December 15, 2020 at [admin@e3metalscorp.com](mailto:admin@e3metalscorp.com) to be included in the teleconference for the Meeting. The Company will arrange for teleconference participation for all shareholders who have requested it by December 15, 2020. However, the Company strongly recommends that shareholders vote by Proxy or by a request for voting instructions in advance to ease the voting tabulation at the Meeting by Computershare Investor Services Inc. If public health guidelines regarding physical distancing in British Columbia have changed by the Meeting date, the Company may issue a news release advising of permitted Meeting attendance in accordance with such updated guidelines.

### APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy (the “Proxy”) are directors or officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR CORPORATION (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated and signed and delivered to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1 Attention: Proxy Department not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it.

### NON-REGISTERED HOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust Corporation, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Corporation are referred to as “NOBOs”. Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to the Corporation are referred to as “OBOs”.

In accordance with National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Information Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs. **The Corporation does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO's Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). The VIF is used instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Corporation or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

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

#### **REVOCATION OF PROXIES**

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a Corporation, by a duly authorized officer or attorney of the Corporation, and delivered to the proposed records office of the Corporation at 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5 at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Nominees to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **EXERCISE OF DISCRETION**

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

**Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to Proxy.**

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter which may be presented to the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Corporation has issued and outstanding 34,307,901 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Corporation has no other class of voting securities and does not have any class of restricted securities.

Any shareholder of record at the close of business on November 12, 2020 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the directors and executive officers of the Corporation, there are no persons who, or Corporation's which, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation.

### NUMBER OF DIRECTORS

Management of the Corporation is seeking shareholder approval of an ordinary resolution fixing the number of directors of the Corporation at five (5) for the ensuing year.

### ELECTION OF DIRECTORS

The term of office for each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the *Business Corporation's Act* (British Columbia).

The following table sets out the names of the nominees for election as directors, the province and country in which each is ordinarily resident, the period or periods during which each has served as a director, the position(s) held in the Corporation, their present principal occupations and the number of common shares of the Corporation or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Jurisdiction of Residence & Position <sup>(1)</sup>	Present Principal Occupation or employment, and if not a previously elected director, occupation during the past 5 years <sup>(2)</sup>	Director Since	Shares Owned and Percentage of Issued and Outstanding <sup>(2)</sup>
Christopher Doornbos <sup>(3)</sup> Alberta, Canada  Chief Executive Officer, President & Director	Professional Geologist and President and Chief Executive Officer of the Corporation and Revere Development Corp. Former Vice President of Exploration of MinQuest Ltd.	May 30, 2017	1,095,280 Common Shares  (3.19%)
Peeyush Varshney, LLB <sup>(3)(4)</sup> British Columbia, Canada  Director	Principal and Director of Varshney Capital Corp ("VCC") from November 1999 to present. Director and/or executive officer of various publicly traded companies.	May 18, 2017	126,706 Common Shares  (0.37%)

Name, Jurisdiction of Residence & Position <sup>(1)</sup>	Present Principal Occupation or employment, and if not a previously elected director, occupation during the past 5 years <sup>(2)</sup>	Director Since	Shares Owned and Percentage of Issued and Outstanding <sup>(2)</sup>
John Pantazopoulos Alberta, Canada  Director	Interim CEO and CFO of Next Hydrogen Corporation. Former Vice President ATB Financial. Former Senior Vice President and CFO of Tangle Creek Energy Ltd.	November 5, 2020	10,000 Common Shares  (0.03%)
Mike O'Hara <sup>(3)(4)</sup> Alberta, Canada  Director	Registered professional engineer and an oil & gas executive. Consultant for Grafton Asset Management. Former President of Bernum Petroleum Ltd. Former Director & Founder of Xergy Processing Inc and Calahoo Petroleum Ltd.	May 30, 2017	135,000 Common Shares  (0.39%)
Paul Reinhart <sup>(4)</sup> British Columbia, Canada  Director	President of Vanhart Capital Corporation and CEO of Sora Capital Corp. Director and/or executive officer of publicly traded companies	May 30, 2017	250,000 Common Shares  (0.73%)

Notes:

- (1) For the purposes of disclosing positions held in the Corporation, "Corporation" includes the Corporation and any parent or subsidiary thereof.
- (2) The information as to province and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (3) Member of the Corporation's Audit Committee.
- (4) Member of the Corporation's Compensation Committee.

### Corporate Cease Trade Orders or Bankruptcies

To the best of management's knowledge, no proposed director:

- (a) is at the date of this Information Circular, or has been within the last 10 years, a director or CEO or chief financial officer ("CFO") of any Corporation (including the Corporation) that:
- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant Corporation access to any exemption under securities legislation, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant Corporation 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 and which resulted from an event

that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such Corporation; or

- (c) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any Corporation (including the Corporation) 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
- (d) has, within the 10 years before the date of this Information 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
- (e) 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
- (f) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## **DIRECTOR AND EXECUTIVE COMPENSATION**

The Corporation is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the “Named Executive Officers” or “NEOs” for the purposes of the disclosure for the year ended December 31, 2019:

- (a) the Corporation’s CEO, including an individual performing functions similar to a CEO;
- (b) the Corporation’s CFO, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer of the Corporation and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V Statement of Executive Compensation – Venture Issuers, for the December 31, 2019 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was not an executive officer of the Corporation and was not acting in a similar capacity as at December 31, 2019.

### **Director and Named Executive Officer Compensation, excluding Compensation Securities**

The following table is a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any director who is not a Named Executive Officer for each of the Corporation’s two most recently completed years.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year (1)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)(2)	Value of all other compensation (\$)	Total compensation (\$)
<b>Christopher Doornbos</b> CEO, President & Director	2019	150,437	Nil	Nil	Nil	Nil	150,437
	2018	150,800	Nil	Nil	Nil	Nil	150,800
<b>Debbie Lew</b> (3) Former CFO & Corporate Secretary	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Greg Florence</b> (4) CFO & Corporate Secretary	2019	57,456	Nil	Nil	Nil	Nil	57,456
	2018	18,900	Nil	Nil	Nil	Nil	18,900
<b>Peeyush Varshney</b> (5) Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	18,750	Nil	Nil	Nil	Nil	18,750
<b>Paul Reinhart</b> Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Mike O'Hara</b> Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Elizabeth Lappin</b> (6) VP Corporate Affairs & Exploration	2019	150,437	Nil	Nil	Nil	Nil	150,437
	2018	150,800	Nil	Nil	Nil	Nil	150,800

Notes:

- (1) Financial year ended December 31.
- (2) The value of perquisites, if any, was less than \$15,000.
- (3) Debbie Lew acted as the CFO and Corporate Secretary from December 23, 2011 to May 31, 2018.
- (4) Greg Florence was appointed on June 1, 2018. His services were provided pursuant to an engagement agreement dated May 10, 2018 between the Corporation and The CFO Centre Limited (the "Centre"). Mr. Florence, who is arms-length to the Centre, is engaged by the Centre to provide part-time CFO services to various companies. During 2019, the Corporation paid a total of \$95,760 to the Centre.
- (5) VCC is a B.C. private Corporation partially owned by Peeyush Varshney and Praveen Varshney. Praveen Varshney is a director of VCC and Peeyush Varshney is a shareholder, director and corporate secretary of VCC. On June 1, 2017, the Corporation entered into an administrative services agreement with VCC, which terminated June 1, 2018. VCC was paid \$18,750 under the administrative services agreement in 2018.
- (6) Elizabeth Lappin was appointed Vice-President of Project Development on December 7, 2017. In May of 2019 she was appointed VP Corporate Affairs and Exploration.

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended December 31, 2019 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class <sup>(1)</sup>	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
<b>Christopher Doornbos</b> CEO, President & Director	Stock Option	50,000 (1.95%)	May 31, 2019	\$0.43	\$0.455	\$0.35	May 31, 2021
<b>Elizabeth Lappin</b> VP, Corporate Affairs & Exploration	Stock Option	25,000 (0.98%)	May 31, 2019	\$0.43	\$0.455	\$0.35	May 31, 2021
<b>Paul Reinhart</b> Director	Stock Option	75,000 (2.93%)	May 31, 2019	\$0.43	\$0.455	\$0.35	May 31, 2021

(1) Based on 2,558,000 options issued and outstanding as of November 12, 2020.

During the financial years ended December 31, 2019, none of the Named Executive Officers or directors exercised any stock options.

For information about the material terms of the Corporation's stock option plan, please refer to the heading "Particulars of Matters to be Acted Upon – Shareholder Approval of Stock Option Plan".

### **Employment, consulting and management agreements**

The Corporation paid compensation to The CFO Centre Limited for services provided by Greg Florence, the Corporation's Chief Financial Officer, pursuant to a consulting agreement (the "**Florence Agreement**"). The Florence Agreement provides that the Corporation will pay \$1,800 a day for services provided by Mr. Florence. Mr. Florence is arms-length to the Centre and is engaged by the Centre to provide part-time Chief Financial Officer services to various companies. The Florence Agreement does not include provisions with respect to change of control, severance, termination or constructive dismissal.

The Corporation paid compensation to Christopher Doornbos, the Corporation's Chief Executive Officer, President and a director, pursuant to an executive employment agreement (the "**Doornbos Agreement**"). The Doornbos Agreement provides that the Corporation will pay Mr. Doornbos a base salary of \$145,000 per annum. Effective April 1, 2019, Mr. Doornbos' base salary increased to \$152,250. Mr. Doornbos may terminate the Doornbos Agreement by providing three months' notice to the Corporation. The Corporation may terminate Mr. Doornbos' employment for just cause at any time, or without cause by providing six months written notice, payment in lieu, or a combination of the two. The Doornbos Agreement includes change of control provisions whereby if there is a change of control of the Corporation, Mr. Doornbos will be entitled to elect to terminate his employment with the Corporation and received a lump sum termination payment in the amount of her annual base salary plus the average of annual bonuses or other cash incentive payments paid by the Corporation for the two immediately preceding years.

The Corporation paid compensation to Elizabeth Lappin, the Corporation's VP of Corporate Affairs and Exploration, pursuant to an executive employment agreement dated May 30, 2017 (the "**Lappin Agreement**"). The Lappin Agreement provides that the Corporation will pay Ms. Lappin a base salary of \$145,000 per annum. Ms. Lappin's base salary increased to \$152,250 effective April 1, 2019. Ms. Lappin

may terminate the Lappin Agreement by providing two months' notice to the Corporation. The Corporation may terminate Ms. Lappin's employment for just cause at any time, or without cause by providing three months written notice, payment in lieu, or a combination of the two. The Lappin Agreement includes change of control provisions whereby if there is a change of control of the Corporation, Ms. Lappin will be entitled to elect to terminate her employment with the Corporation and received a lump sum termination payment in the amount of her annual base salary plus the average of annual bonuses or other cash incentive payments paid by the Corporation for the two immediately preceding years.

## **Oversight and description of director and Named Executive Officer compensation**

### *Director Compensation*

The Board determines director compensation from time to time. Directors are not generally compensated in their capacities as such but the Corporation may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Corporation pursuant to the terms of the Stock Option Plan and in accordance with the Exchange policies.

### *Named Executive Officer Compensation*

The Board as a whole determines executive compensation from time to time. The Corporation does not have a formal compensation policy. The main objectives the Corporation hopes to achieve through its compensation are to attract and retain executives critical to the Corporation's success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value. The Corporation looks at industry standards when compensating its executive officers.

During the financial year ended December 31, 2019, Christopher Doornbos received cash compensation totalling \$150,437 and was granted 50,000 stock options exercisable at a price of \$0.43 until May 31, 2021.

During the financial year ended December 31, 2019, Greg Florence received cash compensation totalling \$57,456.

During the financial year ended December 31, 2019, Elizabeth Lappin received cash compensation totalling \$150,437 and was granted 25,000 stock options exercisable at a price of \$0.43 until May 31, 2021.

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

The following table provides information as of the date of this Information Circular regarding the number of common shares to be issued pursuant to the Corporation's stock option plan. The Corporation does not have any equity compensation plans that have not been approved by its shareholders.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of Common Shares remaining available for future issuance under equity compensation plans</b>
<b>Equity compensation plans approved by security holders</b> Stock Option Plan	2,558,000 <sup>(1)</sup>	\$0.41	872,790
<b>Equity compensation plans not approved by security holders</b>	N/A	N/A	N/A
<b>Total</b>	<b>2,558,000</b>	<b>\$0.41</b>	<b>872,790</b>

Notes:

- (1) 2,558,000 outstanding options: 340,000 options at an exercise price of \$0.40 expire on August 21, 2021, 175,000 options at a price of \$0.40 expire on December 27, 2021, 150,000 options issued at a price of \$0.40 expire on January 22, 2024, 475,000 options at an exercise price of \$0.43 expire on May 31, 2021, 200,000 options at a price of \$0.43 expire on July 9, 2021, 100,000 options at a price of \$0.40 expire on November 24, 2022, 945,000 options at a price of \$0.40 expire on April 22, 2022, 118,000 options at a price of \$0.40 expire on October 21, 2022, 30,000 options at a price of \$0.40 expire on August 24, 2022 and 25,000 options at a price of \$0.40 expire on August 15, 2022.

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

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

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

Except as set out in this Information Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a director of the Corporation 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 other than the election of Directors and the approval of the stock option plan.

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

Except as disclosed in this Information Circular, since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or Corporation that is itself an informed person or subsidiary of the Corporation; (c) any person or Corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Corporation as underwriter in the course of a distribution; and (d) the Corporation itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## **AUDIT COMMITTEE**

### **Composition of Audit Committee**

As at the date of this Information Circular, the Audit Committee is composed of John Pantazopoulos, Peeyush Varshney and Mike O'Hara. All three members are "independent" because they are not executive officers or employees of the Corporation. All three members are "financially literate" within the meaning of sections 1.4, 1.5 and 1.6 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). The text of the Audit Committee's Charter is attached as Appendix "A" to this Information Circular.

The Corporation is relying on the exemption provided by Section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Corporation from the requirements of Parts 3 (*Composition of the Audit Committee*) and 6 (*Reporting Obligations*) of NI 52-110.

## **Relevant Education and Experience**

Peeyush Varshney is a lawyer in good standing with the Law Society of British Columbia. He obtained a Bachelor of Commerce degree (1989) and a Bachelor of Laws degree (1993) from the University of British Columbia. He has extensive experience with publicly traded companies and has an understanding of the accounting principles used by the Corporation to prepare its financial statements.

Mike O'Hara is an oil & gas executive and registered professional engineer with 36 years' experience in founding, developing and managing profitable, growth-oriented oil and gas companies. Mike O'Hara has an understanding of the accounting principles used by the Corporation to prepare its financial statements.

John Pantazopoulos is a finance professional with over 20 years of energy and banking experience. John was recently Vice President with a large Alberta based financial institution and prior thereto, John held senior positions with Alberta based junior and intermediate E&P producers. John is a CFA Charterholder and holds an ICD.D designation.

## **Audit Committee Oversight**

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

## **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) or Part 8 (*Exemptions*) of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Article 2 – Pre-Approval of Non-Audit Services" of the Audit Committee Charter as set out in Appendix "A" to this Information Circular.

## **Audit Fees, Audit-Related Fees, Tax Fees and all other Fees**

In the following table, "audit fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditor in each of the last two financial years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2019	\$26,750	Nil	Nil	\$5,136
December 31, 2018	\$29,400	Nil	\$3,745	Nil

### **Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations**

Since the Corporation is a venture issuer, it relies on the exemption contained in section 6 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Information Circular).

## **COMPENSATION COMMITTEE**

### **Composition of Compensation Committee**

As at the date of this Information Circular, the Compensation Committee is composed of Paul Reinhart, Peeyush Varshney and Mike O'Hara. Paul Reinhart, Peeyush Varshney and Mike O'Hara are "independent" because they are not executive officers or employees of the Corporation.

The Compensation Committee reviews and approves all matters relating to compensation of the directors and executive officers of the Corporation. With regard to the CEO, the Board reviews and approves corporate goals and objectives relevant to the CEO's compensation, evaluates the CEO's performance in light of those goals and objectives and sets the CEO's compensation level based on this evaluation.

### **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Corporation's approach to corporate governance is set forth below.

### **Board of Directors**

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Corporation.

Applying the definition set out in NI 52-110, Christopher Doornbos is not independent by virtue of the fact that he is the Corporation's CEO. Peeyush Varshney, Mike O'Hara, John Pantazopoulos and Paul Reinhart are considered to be independent.

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

Name of Director	Reporting Issuers or Equivalent(s)
Peeyush Varshney	ZincX Resources Corp. PKS Capital Corp. Mojave Jane Brands Inc.

## **Orientation and Continuing Education**

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

## **Ethical Business Conduct**

Directors, officers and employees are required as a function of their directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

## **Nomination of Directors**

The Board is responsible for reviewing the composition of the Board on a periodic basis. The Board analyses the needs of the Board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

## **APPOINTMENT AND REMUNERATION OF AUDITOR**

MNP LLP, Chartered Accountants is the Corporation's auditor, and was first appointed as the Corporation's auditor on December 27, 2018 by the Board, upon the recommendation of the Audit Committee of the Corporation.

Unless otherwise instructed, the proxies given in this solicitation will be voted for the appointment of MNP LLP, Chartered Accountants, as the Corporation's auditor to hold office until the next annual general meeting of shareholders and to authorize directors of the Corporation to fix their remuneration.

**Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of MNP LLP, Chartered Accountants, as the Corporation's auditor.**

## **MANAGEMENT CONTRACTS**

The management functions of the Corporation are not to any substantial degree performed by any person other than the executive officers and directors of the Corporation.

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

### **Shareholder Approval of Stock Option Plan**

The only equity compensation plan which the Corporation currently has in place is the 2019 plan (the "**2019 plan**") which was last approved by shareholders at the Annual General and Special Meeting held on November 19, 2019. The 2019 plan was established to provide incentive to employees, officers, directors and consultants who provide services to the Corporation. TSX Venture Exchange ("**Exchange**") policy requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Corporation at the time of grant (called a "rolling plan" under Exchange policies), must be approved and ratified by shareholders on an annual basis in accordance with Policy 4.4 of the Exchange.

Management seeks shareholder approval for renewal of the 2019 plan, as the Corporation's 2020 plan (the "**2020 plan**"), in accordance with and subject to the rules and policies of the Exchange. The intention of management in proposing the 2020 plan is to increase the proprietary interest of employees, officers, directors and consultants in the Corporation and thereby aiding the Corporation in attracting, retaining and

encouraging the continued involvement of such persons with the Corporation. It is proposed that under the 2020 plan, the total number of common shares that may be reserved for issuance will be 10% of the issued and outstanding common shares of the Corporation at the time of grant, less any common shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements. The 2020 plan complies with the current policies of the Exchange. The 2020 plan is subject to approval by the Exchange.

### **Terms of the 2020 plan**

A full copy of the 2020 plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the 2020 plan from the Corporation prior to the Meeting on written request. Capitalized words used below have the meanings assigned to them in the Exchange policies or the Plan, as applicable. The following is a summary of the material terms of 2020 plan:

1. The options are non-assignable and non-transferable (except that the Optionee's heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee's death).
2. The number of shares subject to each option is determined by the Board provided that the 2020 plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:
  - (a) the number of options granted to any one Person exceeding 5% of the issued shares of the Corporation; or
  - (b) the number of options granted to any one Consultant exceeding 2% of the issued shares of the Corporation; or
  - (c) the number of options granted to all Persons retained to provide Investor Relations Activities of a number shares exceeding 2% of the issued shares of the Corporation.
3. The exercise price of an option may not be set at less than Discounted Market Price.
4. The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a "blackout period").
5. Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Corporation at the time of the proposed amendment.
6. For stock options granted to Employees, Consultants or Management Corporation Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Corporation Employee, as the case may be.
7. Any options granted to any Optionee who is a Director, Employee, Consultant or Management Corporation Employee must expire within a reasonable period following the date the Optionee ceases to be in that role (in general, the Exchange considers anything not exceeding 12 months to be a reasonable period for these purposes).

Shareholders will be asked to pass the following, ordinary resolution, approving and ratifying the Corporation's 2019 plan:

### **"IT IS RESOLVED, as an ordinary resolution that:**

1. The Corporation's stock option plan (the "Stock Option Plan") as set forth in the Information Circular dated November 12, 2020, including the reservation for issuance under the Stock Option Plan at

any time of a maximum of 10% of the issued common shares of the Corporation, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Stock Option Plan by the TSX Venture Exchange (the "TSXV");

2. The Board be authorized in its absolute discretion to administer the Stock Option Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the TSXV; and
3. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by the TSXV or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan."

### **Recommendation of the Corporation's Directors**

The directors have reviewed and considered all facts respecting the approval of the 2020 plan. The Corporation's directors unanimously recommend that the shareholders vote in favour of ratifying and approving the 2020 plan.

An ordinary resolution requires the approval of a simple majority (50% + one vote) of the votes cast at the Meeting, in person or by proxy. **It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the 2020 plan.**

### **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those 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 Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## ADDITIONAL INFORMATION

Financial information concerning the Corporation is contained in its comparative financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2019. Copies of these documents, this Information Circular and additional information relating to the Corporation may be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) or obtained upon request from the Corporation without charge to shareholders:

E3 Metals Corp.  
2300, 150 9<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3H9  
Phone: +1 (587) 324 2775  
Email: [admin@e3metalscorp.com](mailto:admin@e3metalscorp.com)

**DATED** this 12th day of November, 2020.

**ON BEHALF OF THE BOARD**

*“Christopher Doornbos”*

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**Christopher Doornbos**  
**CEO, President and Director**

## APPENDIX A

### Charter of the Audit Committee of the Board of Directors of E3 Metals Corp. (the "Corporation")

#### Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Corporation (the "Board") to oversee the accounting and financial reporting process of the Corporation and audits of the financial statements of the Corporation. The Audit Committee's primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor;
- (e) review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Corporation's financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

#### Article 2 – Pre-Approval of Non-Audit Services

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each

non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

### **Article 3 – External Advisors**

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

### **Article 4 – External Auditors**

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Corporation; and
- (i) receive from the external auditors timely reports of:
  - (i) all critical accounting policies and practises to be used;
  - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
  - (iii) other material written communications between the external auditors and management.

## **Article 5 – Legal Compliance**

On at least an annual basis, the Audit Committee will review with the Corporation's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

## **Article 6 - Complaints**

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action. To the extent practicable, all complaints will be kept confidential. The Corporation will not condone any retaliation for a complaint made in good faith.

