



**CHAIRMAN'S REPORT TO SHAREHOLDERS
NOTICE OF ANNUAL GENERAL MEETING
MANAGEMENT PROXY CIRCULAR**

FOR THE

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD

**THURSDAY, NOVEMBER 5, 2020
10:00 A.M. (PACIFIC)
SUITE 1305, 1090 WEST GEORGIA STREET
VANCOUVER, BRITISH COLUMBIA**

HANNAN METALS LIMITED

Chairman's Report to the Shareholders

Dear Shareholders and Stakeholders,

On behalf of the Board of Directors, I would like to thank you, our shareholders, and our stakeholders for joining our vision to discover a large copper-silver mineral system in Peru.

The year has of course been challenging and uncertain for the world as we all deal with the COVID-19 pandemic. These challenges have been acutely felt by the communities where we work in Peru. Hannan is a company where our people care about each other. We are focused on doing the right thing and our number one priority is the health, safety and well-being of our employees, stakeholders and communities. We look forward to the opportunity to return to the field, and in the meanwhile we will continue to support the San Martin communities and wish for better outcomes for all over the next year.

Despite these challenges, the year has been transformative for Hannan. We have made several success capital raisings, increased our social and geological teams in Peru and subsequently, we have undertaken the most extensive field work ever on the 100% owned San Martin project in Peru that encompass a new, basin-scale high-grade copper-silver system situated along the foreland region of the eastern Andes Mountains in Peru. This work has demonstrated the exceptional potential for large copper-silver deposits in this part of Peru and Hannan has aggressively staked a commanding land position.

At San Martin, the Company believes it has identified an opportunity that could result in a significant discovery and, as a project generator, new opportunities are continually reviewed. At the same time, Hannan needs to consider all options to advance a district scale opportunity at San Martin. The results from our initial work to date has attracted the interest of a number of major mining companies. While in the early stages of our work programs, it would be remiss to not consider partnership opportunities that the Company believes are in its best interests. To date the Company remains in discussion with select parties.

I would personally like to take this time to thank all those involved in building Hannan during the year, from our shareholders old and new, our wonderful technical, social and corporate staff and contractors in Peru and Canada, and of course my fellow directors and our President, Lars Dahlenborg. We will continue to work hard, respectfully and in co-operation with our stakeholders and communities to create a valuable and sustainable opportunity for all participants.

We trust that you will continue to join us for the year ahead as we continue to derisk and unravel this large copper-silver mineral system that we have identified in Peru.

Sincerely,

"Michael Hudson"

Michael Hudson
Chairman and CEO

Vancouver, British Columbia Canada,
September 28, 2020

Forward Looking Statements: This report includes certain statements that may be deemed "forward-looking information" under applicable Canadian securities laws. All statements in this report, other than statements of historical facts, addressing future work programs and events or developments that Hannan Metals Ltd. (the "Company") expects to occur, are forward-looking information. Although the Company believes the expectations expressed in such forward-looking information are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking information. Factors that could cause actual results to differ materially from those in forward looking information include but are not limited to, market prices, exploration costs, capital needed to undertake work programs, community relations, granting of the claim applications by the local authorities in Peru, the potential impact of epidemics, pandemics or other public health crises, including the current outbreak of the novel coronavirus known as COVID-19 on the Company's business, and successful completion of work programs. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking information. The Company does not assume any obligation to update or revise its forward-looking information, whether as a result of new information, future events or otherwise.

HANNAN METALS LTD.

#1305 - 1090 West Georgia Street
Vancouver, BC, V6E 3V7

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**Meeting**") of the Shareholders of Hannan Metals Ltd. (hereinafter called the "**Company**") will be held at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia, on Thursday, the 5th day of November, 2020, at 10:00 AM (Vancouver time), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended May 31, 2020, together with the report of the auditor therein;
2. to fix the number of directors at five (5);
3. to elect directors;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company at a remuneration to be fixed by the directors; and
5. to consider and, if thought fit, to pass an ordinary resolution to ratify, confirm and approve the Company's existing stock option plan.

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate the potential risks to the health and safety associated with COVID-19, shareholders are strongly encouraged to vote on the matters before the Meeting by proxy rather than attend the meeting in person.

Accompanying this Notice is a Management Information Circular, a form of Proxy and a Request Form for Annual and Interim Financial Statements. The accompanying Management Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

To be valid, the accompanying form of Proxy, duly completed, dated and signed, must arrive at the office of the Registrar and Transfer Agent of the Company, Computershare Investor Services Inc., not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or delivered to the Chairman of the Meeting on the day of but prior to the commencement of the Meeting.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 28th day of September, 2020.

BY ORDER OF THE BOARD

"Michael Hudson"

Michael Hudson,
Chairman & CEO

HANNAN METALS LTD.
MANAGEMENT INFORMATION CIRCULAR

(Containing information as at September 28, 2020 unless indicated otherwise)

SOLICITATION OF PROXIES

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Hannan Metals Ltd. (the “**Company**”) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held on November 5, 2020 (the “**Meeting**”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

COVID-19

In view of the current COVID-19 outbreak, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada at: <https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/guidance-documents.html>

The Company encourages shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, shareholders are encouraged to vote on the matters before the Meeting by proxy. Shareholders wishing to attend the Meeting in person must call the Corporate Secretary of the Company at 1.604.685.9316 at least 48 hours prior to the date of the Meeting for further instructions.

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy are directors and/or officers (“**Management’s Nominees**”) of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc. (the “Transfer Agent”), Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment or postponement thereof, or with the Chairman of the Meeting prior to the commencement of the Meeting.**

REVOCAION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney duly authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the head office of the Company, located at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 (Attention: Corporate Secretary), at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, or postponed, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, or postponed, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the common shares of the Company (“Common Shares”) they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other

intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders may vote at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in such shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers’ clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form (“VIF”) cannot use that form to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.**

Beneficial Shareholders who have objected (“**OBOs**”) to their identity being known to the Company, can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company has not agreed to pay to distribute the proxy-related materials to the OBOs and, unless the intermediaries acting for such OBOs agree to assume the cost of such delivery, OBOs will not receive the proxy related materials for the Meeting.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the Beneficial Shareholder’s name, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

VOTING OF PROXIES

The Common Shares represented by a properly executed proxy in favour of Management’s Nominees as proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH SHARES WILL BE VOTED AS DIRECTED BY MANAGEMENT OF THE COMPANY FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

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

Except as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at September 28, 2020 (the “**Record Date**”), the Company had 80,847,485 Common Shares issued and outstanding.

Only shareholders of record at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder’s name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the offices of the Transfer Agent and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as of the close of business on September 28, 2020.

ELECTION OF DIRECTORS

The board of directors (the “**Board**”) presently consists of five directors, and shareholders will be asked at the Meeting to determine the number of directors at five for the ensuing year. It is proposed that five directors be elected for the ensuing year.

Each of the present directors ceases to hold office immediately before the election of directors at the Meeting, unless (a) the Company fails to hold an annual general meeting or all the shareholders who are entitled to vote at an annual general meeting fail by a unanimous resolution to consent to all of the business that is required to be transacted at the annual general meeting on or before the date by which the annual general meeting is required to be held; or (b) the shareholders fail, at the Meeting or in a unanimous resolution, to elect or appoint any directors, in which case each of the present directors continues to hold office until his or her successor is elected or appointed or he or she otherwise ceases to hold office under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) or the Articles of the Company (the “**Articles**”). Directors ceasing to hold office at the Meeting are eligible for re-election or re-appointment.

The persons named below will be presented for election at the Meeting as management’s nominees and the Management’s Nominees proposed by management as proxyholders in the accompanying form of proxy intend to vote for the election of these 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 Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles or the provisions of the BCBCA. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of

proxy intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors.

The following table and notes thereto sets out the name of each person proposed to be nominated by management for election as a director (a “**proposed director**”), the province and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position(s) and Province or State and Country of Residence ⁽¹⁾	Principal Occupation and, if not at present an elected Director, Occupation during the past five years ⁽¹⁾	Director Since	No. of Common Shares beneficially held ⁽²⁾
<p>MICHAEL HUDSON Chairman, Chief Executive Officer (“CEO”) and Director (Victoria, Australia)</p>	<p>Professional Geologist. Chief Executive Officer, Chairman and a director of Mawson Gold Limited (“Mawson”), a mineral exploration and development companies. Mr. Hudson has over 30 years of experience in mineral exploration in Australia, Asia, South America and Europe. He has developed junior exploration companies over the past 20 years in the Canadian markets. Mr. Hudson graduated from the University of Melbourne in 1991 with a B.Sc. (Hons) in Geology and holds a Graduate Diploma of Applied Finance and Investment through the Financial Services Institute of Australia (FINSIA) obtained in 2005. He is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of both the Society for Economic Geologists and Australian Institute of Geoscientists.</p>	<p>January 6, 2017</p>	<p>3,803,100⁽³⁾</p>
<p>NICK DEMARE⁽⁴⁾ Director (British Columbia, Canada)</p>	<p>Chartered Professional Accountant. President of Chase Management Ltd. (“Chase”) since 1991. Chase is a private company which provides accounting, management, securities regulatory compliance and corporate secretarial services to companies listed on the TSX Venture Exchange (the “Exchange”) or the TSX. Mr. DeMare also serves as an officer and/or director of a number of publicly listed companies. Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Chartered Professional Accountants British Columbia.</p>	<p>October 7, 2002</p>	<p>3,954,165⁽⁵⁾</p>

Name, Position(s) and Province or State and Country of Residence ⁽¹⁾	Principal Occupation and, if not at present an elected Director, Occupation during the past five years ⁽¹⁾	Director Since	No. of Common Shares beneficially held ⁽²⁾
<p>DAVID HENSTRIDGE⁽⁴⁾ Director (Victoria, Australia)</p>	<p>Professional Geologist for over 40 years. Founding director of Kingsmen Resources Ltd. and Mawson, all of which are mineral exploration and development companies. Mr. Henstridge has a B.Sc. (Hons) in Geology and is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the both the Australian Institute of Geoscientists and the Geological Society of Australia.</p>	<p>July 9, 2013</p>	<p>3,191,918⁽⁶⁾</p>
<p>GEORGINA CARNEGIE Director (New South Wales, Australia)</p>	<p>Ms. Carnegie is the Managing Director of Carnegie Enterprises, a private company owned by Ms. Carnegie that specializes in geo-political assessment and co-investment strategies. Ms. Carnegie has held senior positions in Australian government and management and board positions in the insurance, airline, and resources sectors. Ms. Carnegie holds a bachelor's degree in Economics from Monash University, and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.</p>	<p>March 28, 2017</p>	<p>610,256</p>
<p>CIARA TALBOT⁽⁴⁾ Director (Ontario, Canada)</p>	<p>Ms. Talbot has been the Vice President of Exploration of Toronto/Stockholm-listed base metal miner Lundin Mining Corporation ("Lundin") since March 2018. From 2012 to February 2018, Ms. Talbot held the position of Director, Exploration & New Business Development of Lundin. Ms. Talbot has over 25 years of international experience in all stages of mineral exploration and holds a BSc. (Honours) in Applied Geology from Staffordshire University in England.</p>	<p>October 4, 2017</p>	<p>Nil</p>

NOTES:

- (1) The information as to the residence and principal occupation of the director nominees, not being within the knowledge of the Company, has been furnished by the respective proposed directors individually.
- (2) The information as to Common Shares beneficially owned or over which a director nominee exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective proposed director nominee individually.
- (3) Of these Common Shares, 3,603,100 are held by Elwood Partners Discretionary Trust and 200,000 are held by Sultana Superfund, both of which Mr. Hudson is the trustee.
- (4) Member of the Audit Committee. David Henstridge is Chairman of the Audit Committee.
- (5) Of these Common Shares, 1,537,167 are owned by 888 Capital Corp.; 63 are owned by Chase and 786,125 are owned by DNG Capital Corp. 888 Capital Corp. is a private company that is 50% owned by Mr. DeMare. Chase and DNG Capital Corp. are private companies owned and controlled by Mr. DeMare.
- (6) Of these Common Shares, 1,042,334 are held by The Henstridge Family Superfund, of which Mr. Henstridge is the trustee.

Shareholders can vote for all of the proposed nominees for directors of the Company, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees.

Corporate Cease Trade Orders or Bankruptcies

Other than as set out below, none of the proposed directors of the Company or any of their personal holding companies:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Company, that:
 - (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade or similar order or an order that denied the 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 person ceased to be a director, chief executive officer or chief financial officer of the company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information 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 Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Nick DeMare is a director of Salazar Resources Limited (“**Salazar**”). On September 10, 2010, the BCSC issued a cease trade order against Salazar for failing to file a compliant technical report on its Curipamba project in Ecuador supporting its disclosure concerning mineral resource estimates on a news release dated February 25, 2009. Salazar filed a new technical report and the cease trade order was revoked by the BCSC on October 14, 2010 and its shares resumed trading on October 18, 2010.

None of the proposed directors or any of their personal holding companies has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular, a “**Named Executive Officer**”, or “**NEO**”, means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;

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

Based on the foregoing definitions, during the financial year ended May 31, 2020, the Company had two NEOs, namely: Mr. Michael Hudson, Chairman and CEO and Mr. Harvey Lim, CFO.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company or a subsidiary of the Company to each NEO and director of the Company for the two most recently completed financial years ended May 31, 2020 and 2019. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities and Instruments**” of this Information Circular.

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 (\$)
Michael Hudson Chairman, CEO and Director	2020	80,000 ⁽³⁾	Nil	Nil	Nil	Nil	80,000 ⁽³⁾
	2019	96,000 ⁽³⁾	Nil	Nil	Nil	Nil	96,000 ⁽³⁾
Nick DeMare Director	2020	6,000 ⁽⁴⁾	Nil	Nil	Nil	30,250 ⁽⁴⁾	36,250 ⁽⁴⁾
	2019	9,000 ⁽⁴⁾	Nil	Nil	Nil	44,050 ⁽⁴⁾	53,050 ⁽⁴⁾
Harvey Lim CFO	2020	6,000	Nil	Nil	Nil	Nil	6,000
	2019	9,000	Nil	Nil	Nil	Nil	9,000
David Henstridge Director	2020	6,000	Nil	Nil	Nil	Nil	6,000
	2019	9,000	Nil	Nil	Nil	Nil	9,000
Georgina Carnegie Director	2020	6,000	Nil	Nil	Nil	6,500 ⁽⁵⁾	12,500
	2019	9,000	Nil	Nil	Nil	16,250 ⁽⁵⁾	25,550
Ciara Talbot Director	2020	6,000	Nil	Nil	Nil	Nil	6,000
	2019	9,000	Nil	Nil	Nil	Nil	9,000

NOTES:

- (1) Fiscal year end May 31.
- (2) The Company doesn’t pay perquisites.
- (3) Paid to Oro Plata Pty Ltd., a private company wholly-owned by Mr. Hudson, for services provided by Mr. Hudson in his capacity as Chairman and CEO of the Company. See “*Employment, Consulting and Management Agreements*”.
- (4) Paid to Chase, a private company wholly-owned by Nick DeMare. Management services are provided to the Company on a month-to-month basis by Chase. During the financial year ended May 31, 2020, the Company was charged \$6,000 (2019 - \$9,000) for the

services of Mr. DeMare as director of the Company. In addition, \$30,250 (2019 - \$44,050) was charged for accounting, management and administration services performed by Chase personnel, exclusive of Mr. DeMare.

- (5) Paid to Ms. Carnegie in her capacity as member of the Strategic Geopolitical Advisory Committee.

Stock Options and Other Compensation Securities

The following table of compensation securities provides a summary of all compensation securities granted or issued by the Company or one of its subsidiaries to each NEO and director of the Company for the financial year May 31, 2020, for services provided or to be provided, directly or indirectly, to the Company 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	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
Michael Hudson ⁽¹⁾ Chairman, CEO and Director	Stock Options	460,000	January 23, 2020	0.25	0.245	0.31	January 23, 2023
Harvey Lim ⁽²⁾ CFO	Stock Options	150,000	January 23, 2020	0.25	0.245	0.31	January 23, 2023
Nick DeMare ⁽³⁾ Director	Stock Options	275,000	January 23, 2020	0.25	0.245	0.31	January 23, 2023
David Henstridge ⁽⁴⁾ Director	Stock Options	275,000	January 23, 2020	0.25	0.245	0.31	January 23, 2023
Georgina Carnegie ⁽⁵⁾ Director	Stock Options	275,000	January 23, 2020	0.25	0.245	0.31	January 23, 2023
Ciara Talbot ⁽⁶⁾ Director	Stock Options	275,000	January 23, 2020	0.25	0.245	0.31	January 23, 2023

NOTES:

- (1) As at May 31, 2020, Mr. Hudson held 661,000 stock options of the Company that entitle him to acquire upon exercise 661,000 Common Shares.
- (2) As at May 31, 2020, Mr. Lim held 210,000 stock options of the Company that entitle him to acquire upon exercise 210,000 Common Shares.
- (3) As at May 31, 2020, Mr. DeMare held 395,000 stock options of the Company that entitle him to acquire upon exercise 395,000 Common Shares.
- (4) As at May 31, 2020, Mr. Henstridge held 395,000 stock options of the Company that entitle him to acquire upon exercise 395,000 Common Shares.
- (5) As at May 31, 2020, Ms. Carnegie held 345,000 stock options of the Company that entitle her to acquire upon exercise 345,000 Common Shares.
- (6) As at May 31, 2020, Ms. Talbot held 275,000 stock options of the Company that entitle her to acquire upon exercise 275,000 Common Shares.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the financial year ended May 31, 2020:

Exercise of Compensation Securities							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Michael Hudson Chairman, CEO and Director	Nil	Nil	N/A	Nil	Nil	Nil	N/A
Harvey Lim CFO	Nil	Nil	N/A	Nil	Nil	Nil	N/A
Nick DeMare Director	Nil	Nil	N/A	Nil	Nil	Nil	N/A
David Henstridge Director	Nil	Nil	N/A	Nil	Nil	Nil	N/A
Georgina Carnegie Director	Nil	Nil	N/A	Nil	Nil	Nil	N/A
Ciara Talbot Director	Nil	Nil	N/A	Nil	Nil	Nil	N/A

Stock Option Plan and Other Incentive Plans

The Company has no other incentive plans other than its stock option plan (the “**Option Plan**”). The Company has adopted a rolling stock option, which makes a total of 10% of the issued and outstanding Common Shares at the date of grant of an option available for issuance thereunder.

The Option Plan, which is a significant component of executive compensation, was established to promote the profitability and growth of the Company by facilitating the efforts of the Company to retain and encourage key individuals and qualified parties to continue their association with the Company. The Option Plan provides that it is solely within the discretion of the Board, upon consideration of a recommendation from the Company’s Compensation Committee, to determine who should receive options and in what amounts. The options may have vesting provisions, as determined by the Board. Options may be granted for any term up to a maximum of ten years after the issuance of such options.

The following is a summary of the material terms of the Option Plan:

1. Stock options may be granted to directors, officers, employees and consultants of the Company or any subsidiary of the Company.
2. The aggregate number of options granted to any option holder in a twelve month period must not exceed 5% of the issued and outstanding Common Shares, and the maximum number of options which may be granted to insiders within any twelve month period must not exceed 10% of the issued and outstanding Common Shares (unless the Company has obtained disinterested shareholder approval of such grants as required by the Exchange).

3. The aggregate number of options granted to any one consultant of the Company within any twelve month period must not exceed 2% of the issued and outstanding Common Shares.
4. Options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued and outstanding Common Shares in any twelve month period, calculated at the date an option is granted to any such person, and such options are subject to vesting provisions.
5. The exercise price of the stock options, as determined by the Board in its sole discretion, shall not be less than the closing price of the Common Shares traded through the facilities of the Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the Exchange or, if the Common Shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the Common Shares are listed and quoted for trading.
6. The term of the options will not exceed 10 years. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death), as the case may be, then the option granted shall expire within 90 days following the date that the option holder ceases to be a director or ceases to be employed by the Company, or for those holders engaged in providing investor relations services, the options granted shall expire within 30 days following the date that the option holder ceases to provide such investor relations services, unless the Board or committee of the Board authorized to act on the Board's behalf, at its own discretion, extends the expiry of such options.
7. The Option Plan does not provide for mandatory vesting provisions of the options. Options granted under the Option Plan may contain vesting provisions at the discretion of the Board (or a committee thereof).

As at the date of this Information Circular, the Company had 80,847,485 Common Shares issued and outstanding so that a maximum of 8,084,749 Common Shares would be available for issuance pursuant to the stock options granted under the Option Plan. Currently there are 5,476,000 stock options outstanding leaving 2,608,749 Common Shares available for grant of further options under the Option Plan.

The Company's shareholders approved the adoption of the Option Plan at the last meeting of shareholders held on November 7, 2019. In accordance with the policies of the Exchange, a rolling stock option plan requires the approval of the shareholders of the Company on an annual basis. Accordingly, the Company will be seeking the approval of its shareholders to the ratification of the Option Plan at the Meeting.

Employment, Consulting and Management Agreements

Management functions of the Company are substantially performed by directors or senior officers (or private companies controlled by them, either directly or indirectly) of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

The Company entered into a management agreement with Oro Plata Pty Ltd. ("**Oro Plata**"), a private company wholly owned by Mr. Hudson and Michael Hudson effective as of January 6, 2017, (the "**Management Agreement**") pursuant to which Oro Plata provides the services of Mr. Hudson as the Company's Chairman and CEO for a base monthly fee of \$8,000 (the "**Base Monthly Fee**") or \$96,000 per annum and stock option grants from time to time.

The Management Agreement provides that Mr. Hudson may terminate the obligations under the Management Agreement upon the occurrence of the following events:

- (a) at any time upon providing 30 days' notice in writing to the Company (following which the Company must pay Mr. Hudson the Base Monthly Fee and any reasonable expenses accrued up to such date of termination (the "**Accrued Obligations**")); or
- (b) upon a material breach or default of any term of the Management Agreement by the Company if such breach or default has not been remedied within 30 days after written notice of the breach or default has been delivered by Oro Plata Pty Ltd. to the Company.

The Management Agreement further provides that the Company can terminate Mr. Hudson's engagement under the Management Agreement upon the occurrence of any of the following events:

- (a) at the discretion of the Company with or without cause by providing 30 days' written notice of termination to Oro Plata Pty Ltd.;
- (b) Mr. Hudson acting unlawfully, dishonestly, in bad faith or negligently with respect to the business of the Company to the extent that it has a material and adverse effect on the Company, or acting in any way which would permit the Company to terminate the Agreement "**for cause**" at common law if the Mr. Hudson were an employee of the Company;
- (c) the conviction of Mr. Hudson of any crime or fraud against the Company or its property or any felony offence or crime reasonably likely to bring discredit upon Mr. Hudson or the Company;
- (d) Mr. Hudson filing a voluntary petition in bankruptcy, or being adjudicated bankrupt or insolvent, or filing any petition or answer under any present or future statute or law relating to bankruptcy, insolvency or other relief for debtors;
- (e) a material breach or default of any term of the Management Agreement by Mr. Hudson, if such material breach or default has not been remedied within 30 days after written notice of the material breach or default has been delivered by the Company to Mr. Hudson; or
- (f) Mr. Hudson dying or becoming permanently disabled, as determined by a competent physician chosen by the Company.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The objectives of the Company's executive compensation policy are to:

- Attract, retain and motivate executives critical to the success of the Company;
- Provide fair, competitive and cost effective compensation programs to its executives;
- Link the interests of management with those of the holders of Common Shares; and
- Provide rewards for outstanding corporate and individual performance.

Compensation of the Named Executive Officers is determined by the Company's Board.

Named Executive Officer Compensation

The Board determines Named Executive Officer compensation without reference to formal objectives, criteria or analysis, at the time of engagement of the Named Executive Officer and subsequently reviews compensation payable to a Named Executive Officer from time to time to ensure that total compensation paid to all Named Executive Officers is fair and reasonable. Compensation is comprised of a monthly payment and long-term incentive compensation, which is provided through the granting of stock options of the Company.

For the Company's financial year ended May 31, 2020, the significant element of compensation paid and awarded to Oro Plata for providing the services of Mr. Hudson as Chairman and CEO was a monthly base fee and the grant of stock options, and the significant elements of compensation paid and awarded to Mr. Lim was a monthly fee for his services as CFO and the grant of stock options. See "*Director and NEO Compensation, Excluding Options and Compensation Securities*" and "*Employment, Consulting and Management Agreements*". The compensation to each Named Executive Officer is based on the position held, the related responsibilities and functions performed by the executive and that are competitive and motivating, commensurate with the time spent by executive officers in meeting their obligations and reflective of compensation paid by companies similar in size and business to the Company. Individual and corporate performance is also taken into account in determining base salary levels for executives. The Board also relies on its collective experience in

similar lines of business when assessing compensation levels. Total compensation paid to the NEOs was not based on any performance criteria or goals.

See “*Stock Option Plan and Other Incentive Plans*” for a discussion on incentive stock options that may be awarded to Named Executive Officers.

Director Compensation

The Board determines director compensation for the Company from time to time. Directors of the Company other than Mr. Hudson are currently paid a monthly fee of \$750 for serving on the Board. See “*Director and NEO Compensation, Excluding Options and Compensation Securities*”. Directors are entitled to receive compensation from the Company to the extent that they provide other services to the Company and any such compensation is based on rates that would be charged by such directors for such services to arm’s length parties, from time to time. Directors are also entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. See “*Stock Option Plan and Other Incentive Plans*” for a discussion on incentive stock options that may be awarded to directors.

Pension

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Company’s most recently completed fiscal year end:

Plan Category	Column (a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Column (b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Column (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) ⁽¹⁾
Equity Compensation Plans Approved By Securityholders	5,711,000	0.22	1,755,421
Equity Compensation Plans Not Approved By Securityholders	-	-	-
Total	5,711,000	0.22	1,755,421

NOTE:

1. The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options. As at May 31, 2020, there were 74,664,211 Common Shares issued and outstanding. As at the Record Date, there were 80,847,485 Common Shares issued and outstanding and 5,476,000 outstanding options, with the result that 2,608,749 options were available to the Company to be granted.
2. Any warrants outstanding as at May 31, 2020, were issued in connection with previous equity financings, and not in connection with an equity compensation plan.

See “*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*” for a summary of the Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the last completed financial year, no director, executive officer, employee, proposed management nominee for election as a director of the Company, nor any associate of any such director, executive officer, or proposed management nominee of the Company, or any former director, executive officer or employee of the Company or any of its subsidiaries, was indebted to the Company or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below and contained elsewhere in this Information Circular, none of the proposed directors, directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) or subsidiary of the Company, nor any person or company who beneficially owns, or controls or directs, directly or indirectly, Common Shares or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Common Shares nor an associate or affiliate of any of the foregoing persons has since June 1, 2019 (the commencement of the Company's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

During fiscal 2017, the Company received a loan (as evidenced by a promissory note) in the amount of \$110,000 from Elwood Partners Discretionary Trust ("Elwood"), a family trust of which Mr. Hudson, the Company's Chairman, CEO and a director, is the trustee. The promissory note bore interest at 7% per annum. During fiscal 2020, the Company made a partial repayment of 50% of the principal amount of the loan to Elwood. Subsequent to fiscal 2020, the Company repaid the remaining 50% balance of the principal amount and paid \$27,214 in accrued interest to Elwood.

APPOINTMENT OF AUDITOR

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company and to authorize the directors to fix the auditor's remuneration.

MANAGEMENT CONTRACTS

During the most recently completed financial year no management functions of the Company were, to any substantial degree, performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company.

AUDIT COMMITTEE

Under National Instrument 52-110 – *Audit Committees* ("NI 52-110"), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. This information is set out in the attached Schedule "A" to this Information Circular.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. The Company's approach to corporate governance is provided in Schedule "B" to this Information Circular.

The Board has adopted certain corporate governance policies to reflect the Company's commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* and National Policy 58-201 – *Corporate Governance Guidelines*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing

the Company's approach to corporate governance issues. A discussion of the Company's governance practices within the context of NI 58-101 is set out in the attached Schedule "B" to this Information Circular.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Ratification of Stock Option Plan

The Option Plan, the Company's rolling stock option plan, makes a total of 10% of the issued and outstanding Common Shares available for issuance thereunder. The Plan was most recently approved by the shareholders on November 7, 2019. In accordance with the policies of the Exchange, a rolling plan requires the approval of the shareholders of the Company on an annual basis. Accordingly, the Company requests that the shareholders ratify and approve the Plan.

As at the date of this Information Circular, the Company had 80,847,485 Common Shares issued and outstanding so that a maximum of 8,084,749 Common Shares would be available for issuance pursuant to the stock options granted under the Option Plan. Currently there are 5,476,000 stock options outstanding leaving 2,608,749 Common Shares available for grant of further options under the Option Plan.

The Exchange policies require that the Plan be approved by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the Company requests that the shareholders pass, with or without amendment, the following ordinary resolution:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION, THAT:

1. the stock option plan (the "**Plan**") of Hannan Metals Ltd. (the "**Company**"), in the form approved by the shareholders of the Company at the last annual meeting of shareholders held on November 7, 2019, with or without amendments that may be required to conform to the policies of the TSX Venture Exchange or comply with rules and regulations of any other regulatory body having authority over the Company or the Plan, is hereby ratified, confirmed and approved;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Plan entitling all of the optionholders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date;
3. the board of directors of the Company (the "**Board**") or any committee created pursuant to the Plan is authorized to make such amendments to the Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Plan, the shareholders; and
4. any one of the directors or officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commission forms, as may be required to give effect to the true intent of this resolution."

Under the Articles of the Company and the BCBCA, the ordinary resolution to ratify and approve the Plan must be approved by greater than 50% of the votes cast by the shareholders present in person or by proxy in respect of that resolution at the Meeting.

A copy of the Plan is available upon request from the Company and will be available for review at the Meeting.

Unless otherwise instructed, Management's Nominees intend to vote "FOR" the ratification of the Plan.

ANY OTHER MATTERS

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the Company's profile on the SEDAR website located at www.sedar.com and the Company's website at www.hannanmetals.com. The Company's financial information is provided in the Company's audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website or on the Company's website, as noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting the Company at Hannan Metals Ltd., at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3V7, attention Mariana Bermudez, Corporate Secretary; or by telephone: 604-699-0202.

BOARD APPROVAL

The contents and sending of this information circular have been approved by the board of directors of Hannan Metals Ltd.

Dated at Vancouver, British Columbia, as of the 28th day of September, 2020.

ON BEHALF OF THE BOARD

"Michael Hudson"

Michael Hudson

Chairman of the Board of Directors

Schedule "A"
AUDIT COMMITTEE

Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Company's Audit Committee:

<u>Member</u>	<u>Independent</u> ⁽¹⁾	<u>Financially Literate</u> ⁽²⁾
Nick DeMare	Yes	Yes
David Henstridge	Yes	Yes
Ciara Talbot	Yes	Yes

NOTES:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

The following is a summary of the Audit Committee members' education and experience which is relevant to the performance of their responsibilities as an audit committee member:

Nick DeMare – Mr. DeMare is a chartered professional accountant and has been providing financial consulting services to junior resources issuers through Chase since 1991. He holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing with the Chartered Professional Accountants British Columbia.

David Henstridge – Mr. Henstridge has a Bachelor of Science Degree (Honours) in Geology and over 40 years of experience working as a professional geologist and managing publicly trading companies in Australia and Canada. Mr. Henstridge also serves as a director and audit committee member of other publicly-listed resource companies.

Ciara Talbot – Ms. Talbot has extensive experience working in the mining industry, including currently serving as Vice President, Exploration for Lundin Mining Corporation. Ms. Talbot holds a BSc. (Honours) in Applied Geology from Staffordshire University in England.

In their positions with the Company and other mineral resource companies, members of the Audit Committee have been responsible for receiving information relating to other companies and obtaining an understanding of balance sheets, income statements and statements of cash flows and assessing the financial condition of companies and their operating results.

Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principals that are relevant in assessing the Company's financial disclosures and internal control systems.

The Audit Committee Charter

The text of the Audit Committee's Charter is as follows:

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the

Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee Charter, the definition of "**financially literate**" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the CFO and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update the Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

(c) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

(d) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

(a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

(b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

(c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

(d) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

(e) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

(f) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

(g) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

(h) Review certification process.

(i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

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 financial year ended May 31, 2019 has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2020	\$20,000	-	-	-
2019	\$21,420	-	-	-

NOTES:

- (1) The aggregate audit fees billed during the fiscal year.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "**Audit Fees**".
- (3) Fees billed for preparation of Company's corporate tax return.
- (4) The aggregate fees billed for products and services other than as set out under the headings "**Audit Fees**", "**Audit Related Fees**" and "**Tax Fees**".

Exemption in Section 6.1

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

Schedule “B”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

NI 58-101 requires issuers to disclose their governance practices in accordance with that instrument. The Company is a “**venture issuer**” within the meaning of NI 58-101.

The Board has adopted certain corporate governance policies to reflect the Company’s commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 - *Corporate Governance Disclosure (Venture Issuers)* and National Policy 58-201 - *Corporate Governance Guidelines*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company’s approach to corporate governance issues.

A discussion of the Company’s governance practices within the context of NI 58-101 is set out 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 Company. A material relationship with a relationship which could, in the view of the Board, 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 Company.

The Board is currently comprised of five persons. Applying the definition set out in NI 52-110, as at the date of this Information Circular, four of the five members are independent. The members who are independent are Mr. David Henstridge, Mr. Nick DeMare, Ms. Georgina Carnegie and Ms. Ciara Talbot. The Company has one director who is not independent because he is an executive officer of the Company, namely: Mr. Michael Hudson, Chairman and CEO.

Directorships

As of September 28, 2020, the following directors of the Company are also serving as directors of other reporting issuers, details of which are as follows:

Michael Hudson: Mawson Gold Limited and Hydro66 Holdings Corp.

Nick DeMare: Aguila American Resources Ltd., American Helium Inc., Cliffmont Resources Ltd., East West Petroleum Corp., Inc., Hansa Resources Limited, Kingsmen Resources Ltd., Mawson Gold Limited, Mirasol Resources Ltd., Rochester Resources Ltd., Rockshield Capital Corp., Salazar Resources Limited and Tinka Resources Limited.

David Henstridge: Mawson Gold Limited and Kingsmen Resources Ltd.

Georgina Carnegie: None

Ciara Talbot: None

Orientation and Continuing Education

The CEO and/or the CFO are delegated responsibly by the Board for providing an orientation to new directors and continuing education to directors. Director orientation and on-going training will include presentations by senior management to familiarize directors with the Company’s strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its independent auditors.

Ethical Business Conduct

In fulfilling its mandate and approving various decisions put forth by management, the Board ensures that the measures management takes comply with Canadian securities regulations and other applicable legislation. Board members are also keenly aware of their fiduciary role to the Company. In exercising their powers and discharging their duties, the Board is required to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

While the Company's business practices must be consistent with the business and social practices of the communities in which the Company operates, the Company believes that honesty is the essential standard of integrity in any locale. Thus, though local customs may vary, the Company's activities are to be based on honesty, integrity and respect. Each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements.

Nomination of Directors

As the Company's business evolves and expands, the Company will be required to nominate new members to the Board or increase the size of the Board and depth of expertise of the Board members. From time to time new directorships will be added in order to ensure that the Company continues to implement best practices and that the Company has access to the expertise required to run its operations in the most efficient manner possible. In addition, the Company will be required to replace existing directors from time to time. The Board has determined that the configuration of five directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience.

Compensation

The Company does not have a compensation committee. The compensation of the directors and the CEO is considered by the Board.

Other Board Committees

There are no Board Committees other than the Audit Committee.

Assessment of the Board, the Audit Committee and Directors

The Company does not currently have any formal procedures in place to assess the performance of the Board as a whole, the Audit Committee or the directors on an individual basis. However, informal discussion among the Board members and management serves to monitor the evaluation of each director's contribution to the Board and the Audit Committee.