



UCORE RARE METALS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

Record Date: June 22, 2021

Date of Circular: June 25, 2021

Date of Meeting: July 27, 2021

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UCORE RARE METALS INC.
210 Waterfront Drive, Suite 106
Bedford, Nova Scotia, Canada
B4A 0H3

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the “**Meeting**”) of shareholders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of Ucore Rare Metals Inc. (the “**Company**”) will be held at 210 Waterfront Drive, Suite 106, Bedford, Nova Scotia, B4A 0H3 on Tuesday, July 27, 2021 at 2:00 p.m. (Atlantic Daylight Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2020, together with the auditor’s report thereon;
2. to consider, and if deemed appropriate, fix the number of directors of the Company at six (6);
3. to elect the directors of the Company;
4. to reappoint KPMG LLP, Chartered Accountants, as auditor of the Company for the ensuing year and to authorize the directors of the Company to fix the auditor’s remuneration and the terms of its engagement;
5. to consider and, if deemed appropriate, pass, with or without variation, a resolution approving and ratifying the renewal of the Company’s rolling stock option plan, as required annually by the applicable policies of the TSX Venture Exchange; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

In response to the global coronavirus (COVID-19) pandemic, and in consideration of the health and safety of our Shareholders, colleagues and the broader community, the Company will make available to Shareholders the option of listening to and participating in the Meeting. Please see the following link for details: <https://www.ucore.com/agm>.

Due to the health concerns surrounding COVID-19, all registered Shareholders are strongly encouraged to properly complete, sign, date and return the form of proxy accompanying this notice of meeting in the envelope provided for that purpose. In particular, Shareholders should not appoint a proxyholder other than the proxyholders named in the proxy form or voting instruction form to participate in the Meeting. A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Company’s transfer agent and registrar, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, on or before 2:00 p.m. (Atlantic Daylight Time) on Friday, July 23, 2021 or deliver it to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

Notwithstanding the foregoing, if you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification.

The record date for the determination of those Shareholders entitled to receive the Notice of Annual and Special Meeting of Shareholders and to vote at the Meeting was the close of business on Tuesday, June 22, 2021.

Impact of COVID-19: The Company is carefully monitoring the public health impact of the coronavirus (COVID-19) on a daily basis, and may decide to modify the date, time or location of the Meeting depending on the situation. Due to the current and rapidly evolving COVID-19 pandemic, the Company asks that Shareholders consider the advice and instructions of public health authorities when deciding whether to attend the Meeting in person. The government of the Province of Nova Scotia has enacted a declaration of emergency, as a result of which gatherings of more than ten people without social distancing, or gatherings in excess of 50 people with implemented social distancing, are prohibited. Access to the Meeting will, subject to the Company's by-laws, be limited to essential personnel and registered shareholders and duly appointed proxyholders entitled to attend and vote at the Meeting. As of the date of this Circular if you live within Nova Scotia, Prince Edward Island or Newfoundland and Labrador, you are able to travel within Nova Scotia and you are not required to self-isolate. Visitors to Nova Scotia from New Brunswick can enter Nova Scotia but will have self-isolation requirements based on their vaccination status and testing. Visitors to Nova Scotia from provinces other than New Brunswick, Prince Edward Island and Newfoundland and Labrador are required to self-isolate for 14 days upon arrival. Any travel from the United States and other countries outside of Canada is significantly restricted, and there can be no assurance that shareholders from countries other than Canada will be permitted to enter Canada to attend the Meeting. Depending upon the status of the pandemic at the time, the Company encourages registered Shareholders and duly appointed proxyholders to not attend the Meeting in person. While we understand this could disrupt the travel plans of those who plan to attend the Meeting in person, our first priority is the health and safety of our communities, Shareholders, employees, and other stakeholders. In the event that we decide to modify the date, time and/or location of the Meeting, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities, the Company will notify the Shareholders and provide additional details via a press release, at the Company's website page found at www.ucore.com and pursuant to filings made in compliance with the Company's standard regulatory disclosure obligations. As always, the Company encourages Shareholders to vote prior to the Meeting in accordance with the instructions set out in the form of proxy or voting instruction form for the Meeting.

DATED at Halifax, Nova Scotia, Canada this 25th day of June, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

"Peter Manuel"

Peter Manuel

Vice President, Chief Financial Officer and Corporate Secretary

UCORE RARE METALS INC.

210 Waterfront Drive, Suite 106
Bedford, Nova Scotia, Canada
B4A 0H3

MANAGEMENT INFORMATION CIRCULAR

as at June 25, 2021 unless otherwise noted

SOLICITATION OF PROXIES

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Ucore Rare Metals Inc. (the “**Company**”) for use at the annual and special meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares in the capital of the Company (“**Common Shares**”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Company. The cost of solicitation will be borne by the Company.

Except as noted below, the Company has distributed or made available for distribution, copies of the Notice, Circular and form of proxy or voting instruction form (if applicable) (collectively, the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**” or individually, an “**Intermediary**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company has not elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Company is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, Computershare Trust Company of Canada. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will not pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Company is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company’s transfer agent and registrar, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than 2:00 p.m. (Atlantic Daylight Time) on Friday, July 23, 2021 or delivering it to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his, her or its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Notwithstanding the foregoing, in response to the health concerns posed by COVID-19, and in consideration of the health and safety of our Shareholders, colleagues and the broader community, Shareholders are strongly encouraged not to appoint someone other than the management proxy nominees named in the accompanying form of proxy.

All Shareholders are strongly encouraged to vote by proxy in accordance with the Company's procedures in advance of the Meeting to the greatest extent possible.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
 - (i) to the attention of the Company's Secretary at the registered office, which is located at 210 Waterfront Drive, Suite 106, Bedford, Nova Scotia, B4A 0H3, at any time up to and including Friday, July 23, 2021, or
 - (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, as to any matter upon which a vote has not already been cast pursuant to the authority conferred by such proxies; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares, or non-objecting beneficial owners whose names have been provided to the Company's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary (collectively, the "**Intermediaries**" or individually, an "**Intermediary**"), 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 Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, 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 Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary about how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. 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 receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. Rather, the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the proxy or voting instruction form is to be delivered.**

Notwithstanding the foregoing, all Shareholders (including Beneficial Shareholders) are strongly encouraged not to attend the Meeting in person in consideration of the health risks posed by COVID-19. While the option remains available for all Shareholders to vote their Common Shares in person, it is firmly recommended that the abovementioned alternatives for voting be used for this year’s Meeting.

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

NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The Meeting Materials are being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has fixed the close of business on Tuesday, June 22, 2021 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 49,084,130 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding. For the purposes of this Circular, all references to numbers of Common Shares, including those held, owned or issued and outstanding, reflect the Company’s 1-for-10 share consolidation effective on December 11, 2020.

To the knowledge of the directors and executive officers of the Company, as at the date of this Circular, the only persons who beneficially own, directly or indirectly, or exercise control or direction over, voting securities of the Company carrying 10% or more of the voting rights attached to the total issued and outstanding Common Shares are as follows:

Name	Number of Shares Owned (Percentage of Class and Type of Ownership)	
	Common Shares ⁽¹⁾	Percentage of Voting Rights
Orca Holdings, LLC ⁽²⁾	5,092,406	10.37%
Concept Capital Management Ltd.	5,639,503	11.49%

Notes:

- (1) The shareholdings are based upon information available on the public record. For Concept Capital Management Ltd., see the Early Warning Report that was filed on SEDAR on February 9, 2021.
- (2) Orca Holdings, LLC is owned and controlled by Randy Johnson, a resident of Alaska and a director of the Company since October 6, 2020.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's board of directors (the "**Board**" or the "**Board of Directors**"), the only matters to be placed before the Meeting are items set out in the Notice and described below.

1. FINANCIAL STATEMENTS

At the Meeting, the audited financial statements for the fiscal year ended December 31, 2020 and the report of the auditor's thereon will be placed before the Meeting. No vote by the Shareholders is required in connection with the presentation of the audited financial statements for the fiscal year ended December 31, 2020.

2. NUMBER OF DIRECTORS

The Company's By-laws provide that the number of directors shall be determined by the Shareholders, within the minimum and maximum range of three (3) to nine (9) specified in the Company's Articles. The Company's Articles also provide that the Board may, between annual general meetings, appoint one or more additional directors of the Company to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed one-third the number of directors who held office at the expiration of the last annual meeting of the Company. At the Company's annual and special meeting that occurred on February 5, 2018, the Shareholders fixed the number of directors at five (5). The Board currently consists of five (5) directors, and at the Meeting Shareholders will be asked to consider and, if deemed advisable, approve and adopt the following resolution:

"BE IT RESOLVED that the number of directors of Ucore Rare Metals Inc. (the "Company") is hereby fixed at six (6) until such time as the shareholders of the Company, by resolution, vary that number of directors."

Approval of the resolution requires the affirmative vote of a majority of the votes cast in respect thereof by the holders of the Common Shares represented at the Meeting. The Management Proxyholders designated in the enclosed form of proxy, unless instructed otherwise, intend to vote IN FAVOUR of fixing the number of directors at six (6).

3. ELECTION OF DIRECTORS

It is proposed that the persons named as nominees hereunder will be nominated at the Meeting. The Board currently consists of five (5) directors; however, pursuant to the resolution immediately above it is expected that the Shareholders will approve an increase in the number of directors such that the Board will consist of six (6) directors at this point in the Meeting. The terms of office of each current director of the Company will expire on the date of the Meeting when the new Board is elected. It is intended that each person whose name appears below will be nominated at the Meeting for election as a director of the Company to hold office until the next annual meeting of Shareholders or until their successor is duly elected or appointed pursuant to the Company's by-laws, unless they resign or their office becomes vacant by removal, death or other cause.

The Company's By-Law No. One, as amended pursuant to By-Law No. 1A (a copy of which is found at Appendix "B" of the Company's Management Information Circular dated July 29, 2015 which was filed on SEDAR on July 30, 2015), contains a requirement providing for advance notice of nominations of directors (the "**Advance Notice Requirement**") in certain circumstances where nominations for election to the Board are made by Shareholders. For an annual meeting of Shareholders, notice to the Company must be provided not less than 30 days and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement. For a special meeting of Shareholders (that is not also an annual meeting), notice to the Company

must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made. The Company's By-Law No. One, as amended by By-Law No. 1A, is available under the Company's profile on SEDAR at www.sedar.com.

The management proxyholders designated in the enclosed form of proxy, unless instructed otherwise, intend to vote FOR the election of each of the nominees listed below. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other replacement nominees in their discretion. Each director elected will hold office until the next annual meeting of Shareholders or until such director's office is vacated prior to such time.

The following table states the names of all of the persons proposed to be nominated for election as directors, their principal occupation, the date on which each became a director of the Company and the number of Common Shares beneficially owned by each of them, directly or indirectly, or over which they exercise control or direction, as at June 25, 2021:

Name, Province and Country of Residence and Position with the Company ⁽¹⁾	Principal Occupation	Director Since	Voting Shares ⁽²⁾	Other Public Board Memberships
Dr. Jaroslav Dostal ⁽⁴⁾ Nova Scotia, Canada Director	Professor Emeritus of Geology, St. Mary's University, Halifax.	September 2007	3,600	None
Randy Johnson ⁽⁵⁾ Alaska, United States Director	President, Tyler Rental Inc., an Alaska-based enterprise with over 100 employees.	October 2020	5,092,406	None
Patrick Ryan ⁽³⁾ Nova Scotia, Canada CEO & Director	CEO of Ucore Rare Metals Inc. President, Neocon International, an automotive OEM design and manufacturing company.	May 2012	12,290	None
Geoff Clarke ⁽³⁾⁽⁴⁾ Ontario, Canada Director	Partner, Miller Thomson LLP, a law firm.	October 2013	None	None
Steven Meister ⁽³⁾⁽⁴⁾ Northwest Territories, Canada Director	Director of Client Development and Delivery, Williams Engineering Canada Ltd.	November 2016	16,600	None
Amira V. Abouali Ontario, Canada	Director, Legal of Meridian Credit Union Limited, the largest credit union in Ontario, Canada.	N/A	None	None

Notes:

- (1) The information as to province and country of residence and principal occupation of each nominee has been furnished by the respective nominees.
- (2) Common Shares of the Company beneficially owned, directly or indirectly, or over which they exercise control or direction, based upon information furnished to the Company by respective nominees individually.
- (3) Member of the Company's Audit Committee (the "**Audit Committee**"). Geoff Clarke is the Chair of the Audit Committee.
- (4) Member of the Company's Compensation Committee (the "**Compensation Committee**"). Dr. Jaroslav Dostal is the Chair of the Compensation Committee.
- (5) Randy Johnson was appointed to the Company's Board of Directors on October 6, 2020. Mr. Johnson also owns and controls Orca Holdings, LLC, which owns 5,092,406 Common Shares.

Biographical Information

Dr. Jaroslav Dostal

Dr. Dostal is Professor Emeritus of Geology at Saint Mary's University in Halifax, where he has been a member of the faculty since 1975. He has over 40 years' experience in geology, ore deposit studies and geochemistry. He has published more than 300 scientific papers and is a widely acknowledged expert on rare metal mineralization in granitoids and volcanic rocks. He had academic appointments at Charles University, Prague (Czech Republic), Université de Montpellier (France), Aix-Marseille Université (France), University of Modena and Reggio Emilia (Italy), Ohio University, Athens (USA) and Dalhousie University, Halifax. Dr. Dostal was the recipient of the 2005 Career Achievement Award of the Volcanology and Igneous Petrology Division of the Geological Association of Canada and the 2007 Gesner Medal for Distinguished Scientist of the Atlantic Geoscience Society. He was a member of the Board of Governors of Saint Mary's University for six years. He is also Honorary Professor of Mongolian University of Science and Technology in Ulaanbaatar and past Chair of the Volcanology and Igneous Petrology Division of the Geological Association of Canada. Currently, Dr. Dostal is a Section Editor of Geoscience Canada (Journal of Geological Association of Canada) and an editor of the journal Minerals. In 2012, he was a Finalist for Professional of Distinction, Discovery Centre, Halifax, Nova Scotia while in 2016 and 2017, he was a Visiting Professor at Chinese University of Geosciences, Wuhan.

Randy Johnson

Mr. Johnson is the President of Tyler Rental Inc. ("Tyler"), an Alaska-based enterprise with over 100 employees, which he founded as a start-up in 1989 and subsequently grew to a multi-state enterprise. Mr. Johnson formed Alaska Ship and Drydock ("ASD") to operate the Ketchikan Shipyard under contract with the State of Alaska Department of Transportation and Public Facilities in 1993. Working in conjunction with the Alaska Industrial Development and Export Authority (AIDEA), he guided an \$80 million shipyard expansion project at ASD, including a new 2,500 ton dry-dock, upland ship berthing and an 80,000 square foot ship assembly hall and production support complex. He sold the company to Vigor Industrial in 2012, having grown it into a thriving enterprise with annual revenues of \$35 million and up to 200 employees. In addition to Tyler and ASD, Mr. Johnson's business operations and ownership experience includes such Southeast Alaska enterprises as Ty-Matt Construction and Ketchikan Ready Mix and Quarry. Mr. Johnson currently serves on the Board of Directors for Alaska Power and Telephone (AP&T) and has resided in Ketchikan, Alaska, for 40 years.

Patrick Ryan

Mr. Ryan was appointed as the Company's interim CEO on June 14, 2020. At that time, the Board began leading the search for a new full-time CEO, which is now not expected to be announced until at least mid to late 2022. In the first quarter of 2021, the Board of Directors determined that Mr. Ryan will serve as the Company's full-time CEO on a go-forward basis. Mr. Ryan is the Founder of Neocon International, a multi-million-dollar automotive OEM design and lean manufacturing company which he conceptualized in 1993. From the outset he was the strategic architect responsible for raising capital, procuring equipment and facilities, assembling and directing a team of R&D engineers and establishing niche product opportunities including light-weighting to improve fuel efficiency. He has amassed twenty-five plus years of business experience serving customers such as Honda, General Motors and Nissan/Renault with numerous team awards for stellar performance, including Toyota's Platinum Quality Alliance Award received in 2016. His understanding of complex supply chains across international markets has led to a prime positioning as the global auto world transitions to vehicle electrification. Mr. Ryan began as a Director of Ucore in 2014 when he had a heightened interest with critical metals needed to drive change for the technologies of the twenty-first century. Mr. Ryan frequently speaks publicly to business leaders looking for new insights and mentors MBA as well as graduating engineering students from Dalhousie University from which he holds a Bachelor of Engineering degree. He is the recipient of the APENS Award from the Association of Professional Engineers of Nova Scotia as the most likely to serve society in an ethical manner.

Geoff Clarke

Mr. Clarke is a Partner at Miller Thomson LLP, a Canadian-based full-service law firm with approximately 550 lawyers and 12 offices across Canada. Mr. Clarke is the Head of the Firm's Mining Department. He has over 20 years of experience in investment banking, financial advisory services, corporate and securities law as well as teaching experience at the university level in the fields of business law and corporate finance. His law practice focuses on advising public companies, institutional investors and investment banks in regard to securities offerings, mergers and acquisitions, corporate governance, shareholder activism, continuous disclosure, stock exchange matters and securities regulatory compliance matters. Mr. Clarke's M&A experience includes advising special committees in connection with take-overs, reorganizations, and searching for and prioritizing strategic alternatives. He has extensive experience with clients in the mining sector and he was formerly a partner at a large international business law firm that was a six-time recipient of a global "Mining Law Firm of the Year" award. Mr. Clarke was later the President of a full-service institutional investment dealer with offices in Vancouver, Toronto and Montreal. His role at the dealer included providing financial and strategic advice to mining industry companies regarding off-take agreements, joint-ventures, strategic partnerships and raising capital. Mr. Clarke also has experience serving on advisory committees for securities regulators in Canada such as IROC and the Ontario Securities Commission. Mr. Clarke also taught Business Law at York University as an Adjunct Professor and he currently teaches Corporate Finance at the University of Windsor Law School, which is a course that he taught every year since Sept. 2007. Mr. Clarke is recognized by the Canadian Legal Lexpert Directory for his expertise in Corporate Finance & Securities (2018) and by Best Lawyers in Canada for Mining Law (2021).

Steven Meister

Mr. Meister has over 25 years of management and business development experience across Canada. Since 1995, he has been strategically involved in various key business initiatives involving the mining industry, oil and gas industry and utility companies across northern and western Canada. Currently, he is employed with Williams Engineering Canada Ltd. (WEC) as Director, Client Development and Delivery. As a member of the senior leadership team, Mr. Meister's key responsibility in addition to managing the northern Canada operating region includes providing leadership for the company's overall business development and project management & controls functions of WEC engineering deliverables. Additionally, he is a Director with the Akaitcho Business Development Corporation, an aboriginal NGO providing optional funding for northern business start-ups and building partnerships with other community organizations to provide technical advice, business skills development counselling and access to business capital. Previously, Mr. Meister worked at Stantec (formally Jacques Whitford Stantec AXYS) as the operations manager for northern Canada and Business Development Manager for ARDICOM, an aboriginal partnership between Northern Aboriginal Services Company (NASCo), Arctic Cooperatives Limited (ACL) and Northwestel. He has also worked with various communities and key stakeholders, including First Nation businesses and regional organizations.

Amira V. Abouali

Ms. Abouali has over 13 years of experience in the areas of corporate finance, mergers and acquisitions, banking, corporate governance and corporate/commercial law. Currently, Ms. Abouali is the Director, Legal of Meridian Credit Union Limited, the largest credit union in Ontario and the 2nd largest in Canada with over \$26 billion of assets under management (AUM), over 360,000 client members and more than 1,900 employees. As a member of the senior leadership team, Ms. Abouali's primary responsibilities include structuring and developing Meridian's key strategic initiatives, capital investments, funding requirements, merger and acquisition transactions, new lines of business and its digital platform enhancement and modernization. Ms. Abouali also currently teaches Corporate Finance at the University of Windsor, Faculty of Law. Previously, Ms. Abouali was the General Counsel and Corporate Secretary of Jaguar Mining Inc., a publicly traded TSX company with mining operations in Brazil, and prior thereto was an associate in the business law group at Fasken Martineau DuMoulin LLP from 2008 – 2013.

Ms. Abouali holds a Master of Laws degree (LL.M) in Business Law from Osgoode Hall, York University, a Bachelor of Laws degree (LL.B) from the University of Ottawa, and a Hons. Bachelor of Sciences degree in Biology (H.B.Sc - Biology) from Western University.

Corporate Cease Trade Orders

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

Bankruptcies, or Penalties or Sanctions

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director 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;
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) 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
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

4. APPOINTMENT OF AUDITORS

KPMG LLP, Chartered Accountants, of Halifax, Nova Scotia are the auditor of the Company. KPMG LLP, Chartered Accountants, was first appointed as auditor on February 22, 2007. The Audit Committee has recommended that KPMG be re-appointed as the auditor of the Company.

Shareholders will be requested to vote to re-appoint KPMG LLP as auditor of the Company to hold office until the next annual meeting of Shareholders (or until its successor is duly elected or appointed) and to authorize the Board to fix the auditor's remuneration and the terms of its engagement.

Approval of the resolution requires the affirmative vote of a majority of the votes cast in respect thereof by the holders of the Common Shares represented at the Meeting.

The management proxyholders designated in the enclosed form of proxy, unless instructed otherwise, intend to vote FOR the re-appointment of KPMG LLP as auditor of the Company to hold office until the next annual meeting of Shareholders and the authorization of the directors to fix the auditor's terms of engagement and remuneration.

5. APPROVAL OF STOCK OPTION PLAN

As the Company's rolling stock option plan (the "**Option Plan**") provides for a rolling maximum number of Common Shares which may be issuable upon the exercise of options granted under the Option Plan, Policy 4.4 of the TSX Venture Exchange (the "**TSX-V**") requires that the Option Plan be approved and ratified by Shareholders on an annual basis for the continuation of the Option Plan. Accordingly, Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving and ratifying the Option Plan. The Option Plan, a copy of which is attached hereto as Appendix "A", is described in detail in the section below under the heading "Executive Compensation – Stock Option Plan".

The Board has unanimously approved the Option Plan and recommends that Shareholders vote FOR the resolution regarding the Option Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving and ratifying the Option Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, ratification, confirmation and adoption, with or without modification, is as follows:

"WHEREAS the policies of the TSX Venture Exchange require annual shareholder approval and ratification for the continuation of the Option Plan;

BE IT RESOLVED THAT:

1. the Option Plan, and all grants of options thereunder, are hereby authorized, approved and ratified;
2. the actions of the directors of the Company in approving and ratifying the Option Plan are hereby ratified, confirmed and approved; and
3. any one officer and director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

The management proxyholders designated in the enclosed form of proxy, unless instructed otherwise, intend to vote FOR the foregoing resolutions regarding the Option Plan.

EXECUTIVE COMPENSATION

1. COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis sets out the Company's philosophy and objectives in determining executive compensation and explains how its policies and practices implement that philosophy. All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

Overview

The objective of the Company's executive compensation program is to ensure that executive compensation is fair and reasonable, rewards management performance and is sufficient to attract and retain experienced and talented executives. The Company's executive compensation program also recognizes the fundamental value added to the Company by having a motivated and committed management team whose short, medium and long-term objectives are aligned with those of Shareholders.

The Company has a Compensation Committee which as at December 31, 2020 consisted of Dr. Jaroslav Dostal (Chair), Mr. Steven Meister and Mr. Geoff Clarke. Mr. Dostal and Mr. Meister are not employees, officers or control persons of the Company and they are independent directors of the Company. Mr. Geoff Clarke is deemed not independent because he is a partner at a law firm that has received compensation in respect of legal services provided to the Company. For more information about the independence of the Company's directors, see "Statement of Corporate Governance Practices" below.

In determining executive and director compensation, the Compensation Committee bears in mind the nature of the Company, the small number of executive officers and the financial health of the Company. The Compensation Committee relies on board discussion and informal comparisons to similar and known mineral exploration, development and processing technology companies, while giving consideration to the experience, qualifications and performance of the candidate or staff member. Members of the Compensation Committee that have a direct conflict of interest with a compensation recommendation being considered by the Compensation Committee will declare their conflict and recuse themselves from the deliberations.

The Company's executive compensation for the 2020 and 2019 fiscal years was comprised of three primary components: (i) base salary; (ii) a short-term incentive plan, which includes the potential for cash bonuses; and (iii) a long-term incentive plan, which consists of grants of stock options and deferred share units ("DSUs").

The base salary of each executive is reviewed and evaluated by the Compensation Committee annually based on the philosophy, objectives, criteria and processes outlined above.

A short-term incentive award, if any, in the form of a cash bonus, may be awarded to an executive each year, as determined by the Compensation Committee, based on the philosophy, objectives, criteria and processes outlined above. No cash bonus amounts or any similar performance cash awards have been awarded by the Company to any of the Company's executives as performance awards, bonuses or otherwise for performance or any activities that occurred in 2020, 2019 or in 2018.

With respect to long-term incentives, each year the Company's executives may be awarded stock options and/or DSUs. The amount of the long-term incentive shall be determined by the Compensation Committee or the Board based on the philosophy, objectives, criteria and processes outlined above and will take into account previous stock

option and DSU grants to a particular individual. During 2020, a total of 210,000 stock options were granted to Named Executive Officers. During 2019, a total of 76,000 stock options were granted to Named Executive Officers. During 2020 and 2019, there were no DSUs granted to Named Executive Officers or anyone else.

2. SUMMARY COMPENSATION TABLE

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Company for the three most recently completed financial years. “Named Executive Officer” (collectively, the “NEOs” or individually, an “NEO”) is defined by the legislation to mean (i) each of the Chief Executive Officer and Chief Financial Officer of the Company, (ii) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year end of the Company.

The following table sets forth a summary of all compensation for the last three fiscal years for each of the NEOs:

Name and principal position	Year	Salary (\$) ⁽⁷⁾	Share-based awards (\$) ⁽⁹⁾	Option-based awards (\$) ⁽⁸⁾	Non-equity incentive plan compensation (\$)		Pension Value (\$) ⁽¹⁰⁾	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Patrick Ryan, CEO & Director ⁽¹⁾	2020	75,000	-	-	-	-	-	105,000 ⁽¹⁾	180,000
	2019	-	-	21,600	-	-	-	115,000 ⁽¹⁾	136,600
	2018	-	-	-	-	-	-	75,000 ⁽¹⁾	75,000
James McKenzie, former President, CEO & Director ⁽²⁾	2020	137,500	-	53,333	-	-	-	140,625 ⁽²⁾	331,458
	2019	270,000	-	-	-	-	-	-	270,000
	2018	450,000	-	-	-	-	-	-	450,000
Peter Manuel, VP, CFO & Corporate Secretary ⁽³⁾	2020	141,979	-	42,667	-	-	-	-	184,646
	2019	141,000	-	-	-	-	-	-	141,000
	2018	235,000	-	-	-	-	-	-	235,000
Gareth Hatch, former CTO & Director of the Company; current CEO & Chairman of Innovation Metals Corp. ⁽⁴⁾	2020	142,160	-	42,667	-	-	-	-	184,827
	2019	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-
Tyler Dinwoodie, former President of the Company; current President & Executive Director of Innovation Metals Corp. ⁽⁵⁾	2020	107,141	-	42,667	-	-	-	-	149,808
	2019	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-
Michael Schrider, COO ⁽⁶⁾	2020	197,369	-	42,667	-	-	-	-	240,036
	2019	197,609	-	21,600	-	-	-	-	219,209
	2018	186,860	-	16,600	-	-	-	-	203,460

Notes:

- (1) Patrick Ryan was appointed interim CEO on June 14, 2020 and remains a Director and Chairman of the Board of Directors. Mr. Ryan was originally appointed to the Board of Directors on May 14, 2012 and he was subsequently appointed the Chairman of the Board of Directors on November 22, 2016. In 2018, Mr. Ryan received \$75,000 for his role as Chairman of the Board of Directors. In 2019, Mr. Ryan received \$75,000 for his role as Chairman of the Board of Directors and he also received Special Committee and Independent Committee Fees of \$40,000. In 2020, Mr. Ryan received \$75,000 for his role as Interim CEO and Chairman of the Board of Directors and he also received Special and Independent Committee Fees of \$105,000. Mr. Ryan is entitled to discretionary bonuses as may be determined by the Compensation Committee and approved by the Board, from time-to-time. In the first quarter of 2021, the Board of Directors determined that Mr. Ryan will serve as the Company's full-time CEO on a going-forward basis. During 2021, Mr. Ryan continues to earn an annual base salary of \$75,000 for his role as CEO and Chairman of the Board of Directors.
- (2) James McKenzie resigned as the Company's President, Chief Executive Officer and a Director effective June 14, 2020. Mr. McKenzie had been earlier appointed as the Company's Vice President of Business Development on November 1, 2006 and later he was appointed as the Company's President and Chief Executive Officer effective January 3, 2007. Mr. McKenzie also served as a Director of the Company, but was not separately compensated for his role as a Director. During 2019, Mr. McKenzie transitioned from a full-time employee of the Company to a part-time employee. Subsequent to June 14, 2020 and pursuant to the terms of a consulting agreement, Mr. McKenzie remained a Strategic Advisor to the Company's interim Chief Executive Officer and Chairman, Patrick Ryan. During 2020, Mr. McKenzie received \$140,625 for Strategic Advisory services provided. Mr. McKenzie's consulting agreement with the Company expires on May 31, 2022.
- (3) Peter Manuel was appointed the Company's Chief Financial Officer on September 21, 2009. During 2019, Mr. Manuel transitioned from a full-time employee of the Company to a part-time employee.
- (4) Dr. Gareth Hatch, Chief Executive Officer and Chairman of Innovation Metals Corp., was appointed as the Company's Chief Technology Officer and a Director of the Company on May 11, 2020. On October 6, 2020, Dr. Hatch resigned as Chief Technology Officer and from the Board of Directors, and he remains in the role of Chief Executive Officer and Chairman of the board of directors of Innovation Metals Corp., which is a wholly owned subsidiary of the Company. Dr. Hatch earns an annual base salary of GBP150,000 (approximately \$258,000) from Innovation Metals Corp.
- (5) Tyler Dinwoodie, President and Executive Director of Innovation Metals Corp., was appointed as President of the Company on May 11, 2020. On October 6, 2020, Mr. Dinwoodie resigned as President of the Company and he remains in the role of President and Executive Director of Directors of Innovation Metals Corp., which is a wholly owned subsidiary of the Company. Mr. Dinwoodie earns an annual base salary of \$250,000 from Innovation Metals Corp.
- (6) Michael Schrider was appointed Chief Operating Officer on February 6, 2018. Pursuant to an arrangement and understanding between the Company and Alaska Personnel, Inc., compensation for the services provided to the Company by Michael Schrider has been paid to Alaska Personnel, Inc., which in turn pays Mr. Schrider the same amount.
- (7) This column reflects the base salary earned in the 2018, 2019 and 2020 financial years.
- (8) This column reflects the calculated grant date fair value of options granted that will be recognized as compensation expense by the Company for financial reporting purposes. The fair value of options is estimated using the Black Scholes Options Pricing Model. Key assumptions incorporated into the valuations are as follows: life of the options is estimated based on historic data, the expected volatility is based on historic volatility of the Company's share price, the exercise price is as per the option contract, and the share price is as at the date on which the options were granted.
- (9) This column reflects the total value of deferred share units (DSUs) granted during the year, including vested and unvested, calculated using the market price of the Common Shares on the date of grant.
- (10) The Company does not provide pension benefits to any of its directors, employees or staff members.

3. STOCK OPTION PLAN

Stock Option Plan

The Option Plan is a rolling stock option plan reserving a maximum of 10% of the issued Common Shares for issuance pursuant to the exercise of options granted under the Option Plan, less the 300,000 shares reserved for issuance pursuant to the deferred share unit plan (the "DSUP"). Pursuant to the policies of the TSX-V, the Option Plan must be approved by Shareholders and accepted by the TSX-V on an annual basis. The Option Plan was last approved by the Shareholders of the Company on August 11, 2020. A copy of the Option Plan is attached hereto as Appendix "A".

The purpose of the Option Plan is to provide an incentive, in the form of a proprietary interest in the Company, to officers, directors, employees and consultants of the Company who are in a position to contribute materially to the successful operation of the business of the Company, to increase their interest in the Company's welfare, and to provide a means through which the Company can attract and retain directors, officers, employees and consultants of outstanding abilities.

Eligible participants under the Option Plan include directors, officers, consultants, and employees of the Company or its subsidiaries. Options under the Option Plan are granted by the Board and are typically granted in such numbers as reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of the Company.

The Option Plan further provides that the exercise price at which Common Shares may be issued thereunder cannot be less than the current “discounted market price” at the date of grant as defined in the policies of the TSX-V, being the closing sale price per share for board lots of Common Shares on the TSX-V on the day immediately preceding the issuance less a maximum discount of between 5% and 25% depending on the applicable market price. Further, the Option Plan provides that the exercise price of any options granted to insiders cannot be reduced from the grant price without the approval of the disinterested Shareholders.

Options granted under the Option Plan typically have a five-year term and are typically made cumulatively exercisable by the optionee as to a proportionate part of the aggregate number of shares subject to the options over specified time periods in the discretion of the Board. In no event can the term of any option granted under the Option Plan exceed five years.

Generally, although the Board has the authority to determine the vesting schedule, most options granted by the Company have been made subject to vesting in accordance with the following schedule:

- (i) 33.33% of the optioned shares will be exercisable as of and from the date which is 4 or 6 months after the date of grant;
- (ii) a further 33.33% of the optioned shares will be exercisable as of and from the date which is 8 or 12 months after the date of grant; and
- (iii) a further 33.34% of the optioned shares will be exercisable as of and from the date which is 12 or 18 months after the date of grant.

The Board currently expects that most future option grants will be made subject to this vesting schedule or such other vesting schedule as the Board may determine in its discretion. In addition, it is expected that options granted to consultants performing investor relations activities shall not vest and become exercisable as to more than 25% of the options in any three-month period, so that such options shall not be fully vested and exercisable before 12 months after the date of issue.

The Option Plan defines a change of control to be (i) a liquidation or dissolution of the Company; (ii) a re-organization, arrangement, amalgamation, merger or consolidation of the Company with one or more companies as a result of which the holders of the outstanding voting securities of the Company immediately prior to the consummation of such transaction hold securities of the surviving company representing less than 50% of the outstanding voting power of the surviving company immediately after the consummation of the transaction; (iii) a sale or other disposition of all or substantially all of the assets of the Company; (iv) a sale or other disposition of more than 50% of the then outstanding voting securities of the Company to another person or entity; or (v) any other transaction determined by the Board to be a change of control. Upon the occurrence of a change of control, the Option Plan shall terminate, and any options then outstanding under the Option Plan shall terminate unless provision is made by the Board in writing in connection with such transaction for the continuance of the Option Plan and for the assumption of options then outstanding under the Option Plan, or the substitution of such options of new options covering the shares of the surviving or successor company or entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and exercise prices, in which event the Option Plan and options then outstanding under the Option Plan shall continue in the manner and upon the terms so

provided. If the Option Plan and unexercised options terminate upon a change of control, all outstanding options shall vest and become immediately exercisable in full immediately prior to consummation of the change of control.

Subject to compliance with applicable requirements of the TSX-V, optionees may elect to hold options granted to them in an incorporated entity, wholly-owned by them, and such entity shall be bound by the Option Plan in the same manner as if the options were held by the optionee. Options terminate within 90 days of the termination of an optionee's position with the Company as an employee, director or consultant without cause (subject to the earlier expiry of the options in the normal course) unless such termination is a result of death, in which case termination occurs upon the expiry of 12 months from the occurrence of the optionee's death (subject to the earlier expiry of the options in the normal course). All options terminate immediately upon a termination of employment for cause. Options granted to an optionee engaged in investor relations activities terminate within 30 days after the optionee ceases to be employed to provide investor relations activities.

The Company does not provide any financial assistance to optionees to facilitate the purchase of securities under the Option Plan.

Options issued pursuant to the Option Plan cannot be converted to stock appreciation rights.

Under the Option Plan, "insider" has the meaning ascribed to it pursuant to the *Securities Act* (Alberta) and the aggregate number of shares:

- (i) reserved for issuance to insiders under the Option Plan, together with any other share compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares;
- (ii) issued to insiders within any 12 month period, pursuant to the exercise of options granted under the Option Plan together with any other share compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares;
- (iii) reserved for issuance to any one person during a 12 month period under the Option Plan, together with any other share compensation arrangements of the Company, shall not exceed 5% of the issued and outstanding Common Shares;
- (iv) reserved for issuance to any one consultant during a 12 month period under the Option Plan, together with any other share compensation arrangements of the Company, shall not exceed 2% of the issued and outstanding Common Shares; and
- (v) reserved for issuance to all eligible persons providing Investor Relations Activities during a 12 month period under the Option Plan, together with any other share compensation arrangements of the Company, shall not exceed 2% of the issued and outstanding Common Shares at the time of grant.

Under the Option Plan, the Board may, at any time, subject to the approval of any stock exchange or exchanges on which the Common Shares are then listed and any other regulatory body having jurisdiction, amend or revise the terms of the Option Plan, provided that no such amendment or revision shall alter or impair any of the rights or obligations under any outstanding option under the Plan without the consent of the option holders.

4. DEFERRED SHARE UNIT PLAN

Directors may elect each year to receive all or part of their annual retainer in DSUs having a market value equal to the portion of the retainer to be received in that form, subject to such limits as the Board may impose. The Board may also grant, each year, DSUs to directors or senior officers having a market value not greater than the annual retainer or base salary for each such director or senior officer, respectively. The number of DSUs to be issued will be determined by dividing the amount of the retainer or base salary determined as the basis for the award by the closing price of the Common Shares (as reported by the TSX-V) for trading day immediately preceding the date the DSUs are awarded. Subject to vesting, each DSU may be redeemed for one Common Share upon the participant ceasing to hold any position with the Company (whether by termination, retirement, change of control or death). The maximum number of Common Shares that may be issued under the DSUP is 300,000, representing approximately 0.61% of the outstanding Common Shares as of June 25, 2021. The DSUP was approved by the Shareholders of the Company on August 26, 2015. A copy of the DSUP is available at Appendix "C" of the Company's Management Information Circular dated July 29, 2015 (which was filed on SEDAR on July 30, 2015).

The number of securities issuable to insiders, at any time, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares. The maximum number of Common Shares issued to insiders, within any one year period, under each security based compensation arrangement, cannot exceed 2% of the issued and outstanding Common Shares as of the relevant Award Date (as defined in the DSUP). The maximum number of DSUs issued to any individual, within any one year period, cannot exceed 1% of the issued and outstanding Common Shares as of the relevant award date, and the maximum number of DSUs issued to any individual, within any one year period, when aggregated with the number of Common Shares underlying all other awards made to such individual under all other security based compensation arrangements in such year period, cannot exceed 5% of the issued and outstanding Common Shares as of the relevant Award Date.

DSUs awarded to directors and senior officers will vest based on the following vesting schedule: 25% immediately on the Award Date, 25% on the one year anniversary of the Award Date, 25% on the two year anniversary of the Award Date and 25% on the three year anniversary of the Award Date. Early vesting is provided in the event of termination without cause, resignation at the request of the Company, death, or on the occurrence of a change of control (as defined in the DSUP) of the Company.

Subject to certain limitations and unless the DSUs have expired or been terminated in accordance with the DSUP, the DSUs shall be settled as per Section 5.5 of the DSUP. The participant (or, if deceased, his or her estate) shall receive as soon as practicable after the Settlement Date (as defined in the DSUP), but no later than the last business day of the calendar year following the calendar year in which the Separation Date (as defined in the DSUP) occurs, the number of Common Shares represented by the vested DSUs then recorded in the name of such participant, less any number of Common Shares representing the amount which may be required to be withheld or deducted under applicable taxation or other laws.

If a participant dies prior to the redemption of the DSUs credited to the account of such participant under the DSUP, there shall be issued to the estate of such participant on or about the thirtieth (30th) day after the Company is notified of the death of the participant a number of Common Shares equivalent to the amount which would have been issued to the participant pursuant to the DSUP, calculated on the basis that the day on which the participant died is the Settlement Date and that all such DSUs vested on such date.

The number of Common Shares for which a DSU may be redeemed shall be adjusted proportionately in the event of (a) a subdivision, redivision or consolidation of the Common Shares into a greater or lesser number of Common Shares, (b) a reclassification or change of the Common Shares into a different class or type of securities, or (c) any other capital reorganization of the Company, or a consolidation, amalgamation or merger of the Company with or

into any other entity or the sale of the properties and assets of the Company as or substantially as an entirety to any other entity.

Except as required by law, the rights of a participant under the DSUP are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the participant.

The Board may, in its sole discretion, at any time and from time to time:

- a) amend or suspend the DSUP in whole or in part;
- b) amend or discontinue any DSUs granted under the DSUP; and/or
- c) terminate the DSUP, without prior notice to or approval by any participants or Shareholders of the Company.

Without limiting the generality of the foregoing, the Board may:

- a) make amendments of a "housekeeping" nature, including any amendment for the purpose of curing any ambiguity, error or omission in the DSUP or to correct or supplement any provision of the DSUP that is inconsistent with any other provision hereof;
- b) amend the definition of "Participant" or the eligibility requirements for participating in the DSUP, where such amendment would not have the potential of broadening or increasing insider participation;
- c) amend the manner in which participants may elect to participate in the DSUP or elect the dates on which DSUs shall be redeemed;
- d) amend the provisions of this DSUP relating to the redemption of DSUs and the dates for the redemption of the same;
- e) make any amendment which is intended to ensure compliance with applicable laws and the requirements of the TSX-V;
- f) make any amendment which is intended to provide additional protection to Shareholders of the Company (as determined at the discretion of the Board);
- g) make any amendment which is intended to remove any conflicts or other inconsistencies which may exist between any terms of the DSUP and any provisions of any applicable laws and the requirements of the TSX-V;
- h) make any amendment which is intended to cure or correct any typographical error, ambiguity, defective or inconsistent provision, clerical omission, mistake or manifest error;
- i) make any amendment which is not expected to materially adversely affect the interests of the Shareholders of the Company; and
- j) make any amendment which is intended to facilitate the administration of the DSUP. Any such amendment, suspension, or termination shall not adversely affect the DSUs previously granted to a participant at the time of such amendment, suspension or termination, without the consent of the affected participant.

No modification or amendment to the following provisions of the DSUP shall be effective unless and until the Company has obtained the approval of the Shareholders of the Company in accordance with the rules and policies of the TSX-V:

- (i) the number of Common Shares reserved for issuance under the DSUP (including a change from a fixed maximum number of Common Shares to a fixed maximum percentage of Common Shares);
- (ii) the definition of “Participant” or the eligibility requirements for participating in the DSUP, where such amendment would have the potential of broadening or increasing Insider participation; and
- (iii) the extension of any right of a Participant under the DSUP beyond the date on which such right would originally have expired.

No amendment, suspension or discontinuance of the DSUP or of any granted DSUs may contravene the requirements of the TSX-V or any securities commission or regulatory body to which the DSUP or the Company is now or may hereafter be subject.

If the Board terminates the DSUP, no new DSUs (other than DSUs that have been granted but vest subsequently pursuant the DSUP) will be credited to the account of a participant, but previously credited (and subsequently vesting) DSUs shall be redeemed in accordance with the terms and conditions of the DSUP existing at the time of termination. The DSUP will finally cease to operate for all purposes when the last remaining participant receives the redemption price for all DSUs recorded in the participant’s account. Termination of the DSUP shall not affect the ability of the Board to exercise the powers granted to it hereunder with respect to DSUs granted under the DSUP prior to the date of such termination.

Incentive Plan Awards – Named Executive Officers

The following table sets forth the details in respect of outstanding stock options granted to each NEO as of December 31, 2020. The value of the unexercised in-the-money options as at December 31, 2020 has been determined based on the excess of the closing price per Common Share on the TSX-V on December 31, 2020, being \$1.18, over the exercise price of such options.

Name	Option-based Awards				Share-based Awards (DSUs)		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards not paid out or distributed (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Patrick Ryan, CEO & Director	40,000	1.20	15-Nov-24	-	-	-	3,623
	30,000	2.65	21-Aug-22	-	-	-	-
	30,000	3.00	4-Nov-21	-	-	-	-
James McKenzie, former President, CEO & Director	50,000	1.65	15-May-25	-	-	-	35,400
	60,000	2.65	21-Aug-22	-	-	-	-
	50,000	3.00	4-Nov-21	-	-	-	-
Peter Manuel, VP, CFO & Corporate Secretary	40,000	1.65	15-May-25	-	-	-	19,470
	40,000	2.65	21-Aug-22	-	-	-	-
	40,000	3.00	4-Nov-21	-	-	-	-
Gareth Hatch, former CTO & Director of the Company; current CEO & Chairman of Innovation Metals Corp.	40,000	1.65	15-May-25	-	-	-	-
Tyler Dinwoodie, former President of the Company; current President & Executive Director of Innovation Metals Corp.	40,000	1.65	15-May-25	-	-	-	-
Michael Schrider, COO	40,000	1.65	15-May-25	-	-	-	-
	40,000	1.20	15-Nov-24	-	-	-	-
	20,000	1.90	12-Feb-23	-	-	-	-
	15,000	2.65	21-Aug-22	-	-	-	-
	20,000	3.00	4-Nov-21	-	-	-	-

Incentive Plan Awards – Value Vested or Earned during the Year – Named Executive Officers

The following tables set forth the value of the stock option awards and DSUs that vested for each Named Executive Officer in 2020 and 2019, as well as the non-equity incentive plan compensation earned during the financial years ended December 31, 2020 and 2019:

Name	Year Ended December 31, 2020		
	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards (DSUs) – Value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year ⁽²⁾
Patrick Ryan	6,667	-	-
James McKenzie	-	-	-
Peter Manuel	-	-	-
Gareth Hatch	-	-	-
Tyler Dinwoodie	-	-	-
Michael Schrider	6,667	-	-

Name	Year Ended December 31, 2019		
	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards (DSUs) – Value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year ⁽²⁾
Patrick Ryan	3,308	413	-
James McKenzie	-	2,250	-
Peter Manuel	-	1,125	-
Gareth Hatch	-	-	-
Tyler Dinwoodie	-	-	-
Michael Schrider	667	-	-

Notes:

- (1) Value vested is calculated as the dollar value that would have been realized had the option or DSU been exercised on the date that it vested less the related exercise price multiplied by the number of securities vested.
- (2) Represents cash bonus awarded to the Named Executive Officers.

Equity Compensation Plans - Securities Authorized for Issuance under

The following table summarizes relevant information as of December 31, 2020 with respect to compensation plans under which equity securities are authorized for issuance:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding stock options and deferred share units	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders ⁽¹⁾	1,829,000 (Option Plan)	2.22	1,975,998
	55,710 (DSUP)	N/A	244,290
Equity compensation plans not approved by shareholders	Nil	Nil	Nil
Total	1,884,710	2.22 (Option Plan)	2,220,288

Note:

- (1) The shares subject to the Option Plan from time to time is equal to 10% of the Company's issued and outstanding Common Shares, less the 300,000 shares reserved for issuance under the terms of the DSUP. There are 1,975,998 shares remaining for issuance under the stock option plan, and 244,290 remaining under the DSUP. As of December 31, 2020, the Company had 41,049,981 Common Shares issued and outstanding.

Long-Term Incentive Plan and Pension Plans

The Company does not have a long-term incentive plan or a pension plan for directors or executive officers, other than the Option Plan and the DSUP.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Company entered into a full-time employment contract with Peter Manuel with effect from September 21, 2009, as amended in June 2011. Under the terms of the agreement, Mr. Manuel could be terminated without cause and would be entitled to receive monthly compensation equal to his normal monthly installments of base salary for a period equal to 6 months plus 1 month for each completed full year of service with the Company. If a change of control takes place, Mr. Manuel will be entitled to terminate his employment and receive a payment of 1.5 times his base annual salary, or in the event of a change of control, should the Company terminate Mr. Manuel, he would be entitled to receive a payment of 2.25 times his base annual salary. Had a change in control taken place on December 31, 2020 and Mr. Manuel terminated his employment pursuant to this contract, he would have been entitled to a payment in the amount of \$176,250. Had a change in control taken place on December 31, 2020 and Mr. Manuel been terminated by the Company, he would have been entitled to a payment of \$264,375 in accordance with this contract. Mr. Manuel can be terminated with cause; in which case he would not be entitled to any payment on termination. Mr. Manuel transitioned from a full-time employee to a part-time employee in 2019. The Company and Mr. Manuel entered into a new written employment agreement dated April 1, 2020 on substantially similar terms to his 2011 agreement but at 50% of the base salary.

The Company entered into a full-time employment contract with Dr. Gareth Hatch dated May 8, 2020, which was subsequently amended pursuant to an agreement dated October 1, 2020. Under the terms of the agreement, Dr. Hatch could be terminated without cause and would be entitled to receive pay in lieu of notice of termination as follows:

- (i) Six (6) months of notice if such notice is provided on or prior to May 10, 2021;
- (ii) Nine (9) months of notice after May 11, 2021 but prior to May 11, 2022; or
- (iii) Twelve (12) months of notice after May 11, 2022.

The payments will be provided by way of a base compensation continuance.

The Company entered into a full-time employment contract with Tyler Dinwoodie dated May 8, 2020 which was subsequently amended pursuant to an agreement dated October 1, 2020. Under the terms of the agreement, Mr. Dinwoodie could be terminated without cause and would be entitled to receive pay in lieu of notice of termination as follows:

- (i) Six (6) months of notice if such notice is provided on or prior to May 10, 2021;
- (ii) Nine (9) months of notice after May 11, 2021 but prior to May 11, 2022; or
- (iii) Twelve (12) months of notice after May 11, 2022.

The payments will be provided by way of a base compensation continuance.

In April 2020, it was agreed with Mr. Schrider that if his employment is terminated without cause, then he will be entitled to the following notice periods (or pay in lieu of notice): (i) nine months of notice within the first year of

his amended written agreement (ending May 2021); (ii) ten months of notice after May 2021 but prior to May 2022; or (iii) twelve months of notice after May 2022.

Mr. Ryan does not currently have a formal written employment agreement with the Company as Chief Executive Officer. Mr. Ryan receives an annual fixed base salary of \$75,000 as Chairman of the Company and he is entitled to discretionary bonuses as may be determined by the Compensation Committee and approved by the Board, from time-to-time. Mr. Ryan would likely be entitled to any applicable statutory and common law entitlements and notice periods upon his termination and/or constructive dismissal as CEO, unless such termination or dismissal is for cause.

The Option Plan provides that all outstanding options will immediately vest upon a change of control. The value of these outstanding options is as outlined in the information above under the heading “Incentive Plan Awards – Named Executive Officers”.

DIRECTOR COMPENSATION

Executive directors of the Company are not entitled to any additional compensation for acting as directors. Please see “Compensation Discussion and Analysis” and “Summary Compensation Table” above for a discussion of compensation received by Mr. Ryan, the Company’s only executive director as at December 31, 2020.

Non-executive directors of the Company are entitled to receive an annual fee of \$28,000 (payable at \$7,000 per quarter) and standing committee chairs receive an additional annual fee of \$2,000 (payable at \$500 per quarter). Effective November 22, 2016, Mr. Ryan was appointed Chairman with an annual fee of \$75,000. Mr. Ryan was also appointed as the Company’s Interim CEO on June 14, 2020, and in Q1 2021 Mr. Ryan became the Company’s CEO (without the adjective “Interim”). Directors are reimbursed for their out-of-pocket expenses incurred in attending directors’ and committee meetings.

On May 8, 2019, the Company’s Board of Directors formally passed resolutions creating: (i) a Special Committee; and (ii) an Independent Committee. Both of these committees, which were *ad hoc* sub-committees of the Company’s Board of Directors, were created on May 8, 2019 and formally dissolved on January 8, 2021.

The Special Committee’s mandate included taking a structured and deliberate approach to: (i) reviewing the Company’s financial circumstances and considering the various strategic alternatives that are available to the Company; (ii) considering various traditional and alternative financing opportunities and determining the feasibility of each; and (iii) specifically considering if it would be in the best interests of the Company to proceed with a rights offering in order to raise additional equity capital from the Company’s existing shareholders (which occurred and was completed in late October 2019). The Special Committee was also to review and oversee the implementation of any such strategic decisions that were made and to consider and evaluate the terms and conditions of any offers, proposals or any other alternatives involving the Company or any related parties that may be made from time to time for or in respect of the shares, assets or liabilities of the Company. The Special Committee was also empowered to review and provide advice and guidance to the Board as to any matters considered by the Special Committee to be reasonably ancillary to its specific mandate. The members of the Special Committee were: Geoff Clarke (Chair), Pat Ryan, Steven Meister and Dr. Jaroslav Dostal. The Special Committee members received periodic compensation, as determined by the Compensation Committee. To date, the Special Committee members have received fees for their services in November 2019 (covering the 6-month period from May 2019 to October 2019), June 2020 (covering the 7-month period from November 2019 to May 2020) and October 31, 2020 (covering the 5-month period from June 2020 to October 2020).

The Independent Committee’s mandate included: (i) receiving details of, considering and evaluating all of the Company’s litigation regarding IBC Advanced Technologies, Inc. (“**IBC**”) and to discuss such circumstances with

Year-Ended December 31, 2019								
Name	Fees Earned (\$)	Special and Independent Committee Fees Earned (\$) ⁽¹⁾	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$) ⁽³⁾	All other compensation (\$) ⁽⁴⁾	Total(\$)
Dr. Jaroslav Dostal (Chair of the Compensation Committee)	30,000	25,000	-	21,600	-	-	-	76,600
Steven Meister	28,000	25,000	-	21,600	-	-	-	74,600
Geoff Clarke (Chair of the Audit Committee and Chair of the Special Committee)	30,000	40,000	-	-	-	-	252,411	322,411
Randy Johnson ⁽⁵⁾	N/A	N/A	-	-	-	-	-	N/A

Notes:

- (1) On May 8, 2019, the Company's Board of Directors formally passed resolutions creating: (i) a Special Committee; and (ii) an Independent Committee. Both of these committees were *ad hoc* sub-committees of the Board of Directors and both were formally dissolved on January 8, 2021.
- (2) This column reflects the calculated grant date fair value of options granted that will be recognized as compensation expense by the Company for financial reporting purposes. The fair value of options is estimated using the Black Scholes Options Pricing Model. Key assumptions incorporated into the valuations are as follows; life of the options is estimated based on historic data, the expected volatility is based on historic volatility of the Company's share price, the exercise price is as per the option contract, and the price of the Common Shares is as at the date on which the options were granted.
- (3) The Company does not provide pension benefits to any of its directors.
- (4) Other compensation represents legal fees paid to Miller Thomson LLP, a law firm of which Mr. Clarke was a partner during the year. The "other compensation" figure in the table above includes all of the legal fees the Company paid to Miller Thomson LLP, including the fees payable for the services of other lawyers, paralegals and clerks. Mr. Clarke receives no direct compensation from the Company. All director fees earned and special and independent committee fees earned by Mr. Clarke are paid to Miller Thomson LLP.
- (5) Randy Johnson was appointed to the Company's Board of Directors on October 6, 2020. Mr. Johnson earned director fees for 23.8% of 2020.

Incentive Plan Awards – Directors

The following table sets forth the details in respect of outstanding stock options granted to each of the non-executive directors as of December 31, 2020. The value of the unexercised in-the-money options as at December 31, 2020 has been determined based on the excess of the closing price of the Common Shares on the TSX-V on that date, being \$1.18, over the exercise price of such options.

Name ⁽¹⁾	Option-based Awards				Share-based Awards (DSUs)		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dr. Jaroslav Dostal	40,000	1.20	15-Nov-24	-	-	-	3,623
	30,000	2.65	21-Aug-22	-	-	-	-
	30,000	3.00	04-Nov-21	-	-	-	-
Steven Meister	40,000	1.20	15-Nov-24	-	-	-	-
	30,000	2.65	21-Aug-22	-	-	-	-
	30,000	3.00	04-Nov-21	-	-	-	-
Randy Johnson	50,000	1.20	15-Nov-24	-	-	-	-
	500,000	2.65	21-Aug-22	-	-	-	-
Geoff Clarke	30,000	2.65	21-Aug-22	-	-	-	3,623
	30,000	3.10	19-Nov-21	-	-	-	-

Note: (1) Information regarding incentive plan awards granted to Mr. Ryan, who is an executive director of the Company, is set out above under "Incentive Plan Awards – Named Executive Officers".

Incentive Plan Awards – Value Vested or Earned during the Year – Directors

The following tables set forth the value of the incentive stock option based awards and DSUs that vested for each non-employee director in the years ended December 31, 2020 and 2019:

	Year ended December 31, 2020		
Name ⁽¹⁾	Option-based awards – Value vested during the year ⁽²⁾	Share-based awards (DSUs) – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dr. Jaroslav Dostal	6,667	-	-
Steven Meister	6,667	-	-
Randy Johnson	8,333	-	-
Geoff Clarke	-	-	-

	Year ended December 31, 2019		
Name ⁽¹⁾	Option-based awards – Value vested during the year ⁽²⁾	Share-based awards (DSUs) – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dr. Jaroslav Dostal	3,308	413	-
Steven Meister	3,308	-	-
Randy Johnson	-	-	-
Geoff Clarke	-	413	-

Notes:

- (1) Information regarding incentive plan awards granted to Mr. Ryan, who is an executive director of the Company, is set out above under “Incentive Plan Awards – Value Vested or Earned during the Year – Named Executive Officers”.
- (2) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date that it vested less the related exercise price multiplied by the number of vesting options.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, except as described below no individual who is an executive officer, director, employee or former executive officer, director or employee of the Company is indebted to the Company pursuant to the purchase of securities or otherwise.

As at June 25, 2021, the Company’s former CEO, Mr. McKenzie, is temporarily indebted to the Company for a total of \$20,942 (December 31, 2020 - \$20,942), as a result of an income tax remittance advance that is expected to be rectified in an upcoming pay period.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Set out below is a description of certain corporate governance practices of the Company, as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Board of Directors

The Board has assessed the independence of each director using the standard for director independence set out in National Instrument 52-110 Audit Committees (“**NI 52-110**”). Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. Under NI 52-110, a material relationship is 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.

Below are the results of the Board’s current assessment of director and the director candidates’ independence in accordance with NI 52-110:

- Pat Ryan – not independent (because he is the Company’s CEO) [see subsection 1.4(3)(a) of NI 52-110];
- Dr. Jarda Dostal – independent;
- Steven Meister – independent;
- Randy Johnson – not currently independent (because, prior to joining the Board, he received more than \$75,000 in direct consulting compensation from the Company during a 12 month period within the last 3 years) [see subsection 1.4(3)(f) of NI 52-110]. Mr. Johnson will become an independent director on January 1, 2022;
- Geoff Clarke – not independent (because he is a Partner at Miller Thomson LLP, which is an entity that provides legal services to the Company in exchange for fees) [see subsection 1.5(2)(b) of NI 52-110]; and
- Amira Abouali –not independent (because she is the spouse of an individual (Mr. Clarke) who indirectly earns fees paid by the Company) [see section 1.5(2)(a) of NI 52-110].

The Board continues to seek to identify additional qualified candidates to join the Board who would bring valuable skills and experience to the Board and satisfy applicable independence requirements, with the goal of achieving a majority of independent directors on the Board in the future. The Company does not have a designated lead independent director. The Board relies on senior outside legal counsel to provide advice and consultation on current and anticipated matters of corporate governance.

Orientation and Continuing Education

The Board does not provide a formal orientation or education program for Board members, as it believes that such programs are generally more appropriate for companies of significantly larger size and complexity than the Company and which may have significantly larger boards of directors. The Company’s Board members have considerable industry and public company experience and rely on this experience, their close contact with the Company’s executives, and their backgrounds in business to best determine how to maintain and enhance their skills. Board members also rely on communications and publications from applicable industry participants for ongoing continuing education, which includes commentators about the Company’s business sector and subsectors, as well as legal, accounting and securities regulatory commentators. Members of the Board, as well as staff of the Company, also regularly attend and participate in industry and educational conferences.

Ethical Business Conduct

In respect of any transactions or agreements involving the Company and in respect of which a director of the Company has a material interest or a conflict or potential conflict of interest, that director, in order that the members of the Board exercise independent judgment in respect thereto, is required to disclose such to the Board prior to any such transaction or agreement being considered by the Board and is not permitted to vote on any Board resolution with respect thereto. Should any officer similarly have any such material interest or conflict or potential conflict of interest, such officer must similarly disclose such to the Board. The Board also encourages all Board members and the Company's staff members to attend various educational sessions that are offered online or when they are attending conferences, such as sessions regarding CSA Staff Notice 43-309, CSA Staff Notice 51-316, CSA Staff Notice 51-356, CSA Staff Notice 51-348, CSA Staff Notice 51-336 and other relevant and related materials for small market capitalization and mining industry related issuers.

Nomination of Directors

The Board does not have a nominating committee. Periodically, the Board as a whole informally assesses the size and composition of the existing Board and the contribution of individual directors. Individual directors are invited to propose new nominees to the Board having regard to the Company's business strategy and the current composition of the Board.

Board Committees

The Board currently has two standing committees: (i) the Audit Committee and (ii) the Compensation Committee. Both of these committees report directly to the Board. From time-to-time, based on need, *ad hoc* committees of the Board may also be appointed. The Board recently had two *ad hoc* committees: (i) the Special Committee; and (ii) the Independent Committee. Both of the *ad hoc* committees were created on May 8, 2019 and were formally dissolved on January 8, 2021.

Assessments

The Board does not have a formal assessment process; however, it does informally consider its ongoing effectiveness through discussions of the operation of the Board committees, the adequacy of information provided to directors by management, the quality of communication between the Board and management and the historic growth and performance of the Company. The Board believes that this informal assessment has permitted the Board to operate effectively. For information on each committee member's relevant education and experience see "Election of Directors" section.

Compensation of Directors and Chief Executive Officer

The process undertaken by the Board in respect of compensation is more fully described in the "Executive Compensation" section of this Circular.

AUDIT COMMITTEE INFORMATION

Set out below is a description of the Company's Audit Committee and audit related information, as required by NI 52-110.

The Audit Committee up to the date of this Circular is composed of three directors, being Messrs. Clarke (Chair), Meister, and Ryan. As a venture issuer, the Company currently relies on the exemption from the audit committee composition requirements of NI 52-110 contained in Section 6.1 of that instrument because Mr. Ryan and Mr. Clarke are deemed not to be independent under NI 52-110. All members of the Audit Committee are "financially literate", as such term is used in NI 52-110 (i.e., having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the relevant entity's financial statements).

The Audit Committee operates under a written charter, a copy of which is annexed as Appendix "B" to this Circular. The Audit Committee meets with the Company's Chief Financial Officer and financial management personnel and/or its independent auditors at least four times a year, and at least once every quarter, to review and assist, as part of its charter, the Board in its oversight responsibilities relating to, among other matters, the quality and integrity of the Company's financial statements and MD&A, the accounting and financial reporting principles and procedures of the Company and the adequacy of the Company's systems of internal accounting control. The Audit Committee meets with the Company's independent auditors at least once per year without the presence of management and as well communicates directly with such auditors as circumstances warrant. The Audit Committee reviews, among other things, the Company's financial reporting practices and procedures, the Company's annual and quarterly financial statements and MD&A prior to their issuance to shareholders and filing with regulatory agencies, actual and prospective changes in significant accounting policies and their effect, the planned scope of examinations by the Company's independent auditors and their findings and recommendations and the scope of audit and non-audit services provided by the independent auditors. It also recommends to the Board the independent auditors to be proposed to the shareholders for appointment at the Company's annual meeting and approves the remuneration of such auditors.

Relevant Education and Experience:

- Geoff Clarke – Mr. Clarke is a Partner at Miller Thomson LLP, a Canadian business law firm. He has over 20 years of experience in investment banking, financial advisory services, corporate and securities law as well as teaching experience at the university level in the fields of business law and corporate finance. In addition to his bachelor and master of laws degrees, Mr. Clarke also has Bachelor of Commerce and Master of Business Administration degrees where he specialized in the finance and accounting streams of those programs.
- Steven Meister – Mr. Meister has over 25 years' experience on various financial committees of NFP boards in addition to the direct involvement on financial matters for the various entities that he has served.
- Pat Ryan – Mr. Ryan is the Founder of Neocon International, a multi-million dollar automotive OEM design and lean manufacturing company. Mr. Ryan is familiar with accounting principles and understands the financial matters affecting an exploration company.

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Company's external auditors not been adopted by the Board.

At no time since the commencement of the Company's most recently completed financial year has the Company relied on exemptions in relation to "De Minimis Non-Audit Services" or any exemption provided by Part 8 of NI 52-110.

The Company retained KPMG LLP as its independent auditors on February 22, 2007. The Company incurred the following fees from KPMG LLP in respect of the years ended December 31, 2020 and 2019:

	2020	2019
<i>Audit Fees</i>	\$120,680	\$48,920
<i>Audit-Related Fees</i>	-	-
<i>Tax Fees</i>	25,000	27,643
<i>All Other Fees</i>	n/a	n/a
<i>Total</i>	\$145,680	\$76,563

The Audit Committee regularly reviews the Company's use of its independent auditors for non-audit services. All non-audit services performed by the Company's independent auditors were approved in advance by the Audit Committee. If non-audit services provided are expected to cost less than \$5,000, the authority to approve has been delegated to the Audit Committee Chairman. The Audit Committee confirmed that the nature of the independent auditors' non-audit services used by the Company did not affect their independence.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, no director or senior officer of the Company at any time since the beginning of the Company's 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, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.ucore.com. Financial information regarding the Company is provided in the Company's annual audited financial statements and management's discussion and analysis for year ended December 31, 2020, together with the auditors' report thereon. The Company's financial statements and MD&A may be obtained from the Secretary of the Company upon request.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who has been a director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

APPROVAL OF BOARD OF DIRECTORS

The content of this Circular and the sending of it to each director of the Company, to the auditor of the Company, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Company.

DATED at Halifax this 25th day of June, 2021.

[Signed Patrick Ryan]

Patrick Ryan, Chief Executive Officer and Director

[Signed Jaroslav Dostal]

Dr. Jaroslav Dostal, Director

APPENDIX “A”
UCORE RARE METALS INC.
AMENDED AND RESTATED STOCK OPTION PLAN

1. Purpose

The purpose of this stock option plan (the “Plan”) is to provide an incentive, in the form of a proprietary interest in Ucore Rare Metals Inc. (the “Company”) to officers, directors, employees and consultants of the Company who are in a position to contribute materially to the successful operation of the business of the Company, to increase their interest in the Company's welfare, and to provide a means through which the Company can attract and retain directors, officers, employees and consultants of outstanding abilities.

2. Administration

The Plan shall be administered by the board of directors (the “Board”) of the Company, and subject to the applicable rules and policies of the TSX Venture Exchange (the “Exchange”). The Board may make grants, subject to the terms of the Plan, to such eligible persons and with respect to such number of common shares (“Common Shares”) in the share capital of the Company as the Board, in its sole discretion, may determine.

Subject to the provisions of the Plan, the Board shall be authorized to interpret the Plan and the grants made under the Plan, to establish, amend and rescind any rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. The Board may correct any defect, supply any omission and reconcile any inconsistency in the Plan or in any option or grant in the manner and to the extent it shall be deemed desirable to carry it into effect. The determinations of the Board in the administration of the Plan, as described herein, shall be final and conclusive.

3. Shares Subject to the Plan

The number of optioned Common Shares which may be outstanding from time to time shall not be greater than 10% of the issued and outstanding Common Shares (on a non-diluted basis).

All grants of options to purchase Common Shares granted under the Plan shall be subject to the restriction that the maximum number of optioned Common Shares which may be reserved for issuance to any one person shall not exceed 5% of the outstanding issue (on a non-diluted basis).

4. Eligibility

Officers, directors and, where permitted by the Exchange and securities laws, consultants and employees of the Company or any of its subsidiaries, and any company that is wholly owned by such officers, directors, employees and consultants (except in relation to consultant companies) shall be eligible for grants under the Plan. The Company represents that for options granted to employees, consultants or management company employees that such optionees are bona fide employees, consultants or management company employees, as the case may be.

5. Granting of Options

The Board may, from time to time, grant share options to eligible persons. Except as hereinafter provided, options granted pursuant to the Plan shall be subject to the following terms and conditions:

- a) Price. The exercise price per share of each option shall be not less than the lowest exercise price permitted by the Exchange. Common Shares may be purchased only upon payment of the exercise price in full, either by cash or certified cheque.

Disinterested shareholder approval will be obtained for any reduction in the exercise price if the optionee is an insider (as the term is defined in the *Securities Act* (Alberta)) of the Company at the time of a proposed amendment to reduce the exercise price.

- b) Terms of Options. The term during which each option may be exercised shall be determined by the Board, but in no event shall an option be exercisable in whole or in part more than five years from the date it is granted. All rights to purchase pursuant to an option shall, unless sooner terminated, expire at the date designated by the Board. The Board shall determine the date on which each option shall become exercisable and may provide that an option shall become exercisable in instalments. The shares comprising each instalment may be purchased in whole or in part at any time after such instalment becomes purchasable. The Board may, in its sole discretion, accelerate the time at which any option may be exercised in whole or in part.
- c) Limits with Respect to Directors, Officers, Consultants and Employees Conducting Investor Relations Activities.
 - i) The maximum number of Common Shares which may be reserved for issuance to any individual may not exceed 5% of the outstanding issue (on a non-diluted basis) in any 12 month period.
 - ii) The maximum number of Common Shares which may be reserved for issuance to any one consultant may not exceed 2% of the outstanding issue (on a non-diluted basis) in any 12 month period.
 - iii) No more than an aggregate of 2% of the issued shares of the Company may be granted to an employee conducting Investor Relations Activities (as defined in the Exchange's Corporate Finance Manual) in any 12 month period.
 - iv) Notwithstanding the Board's discretion to set vesting under Section 5(b), above, options issued to consultants performing Investor Relations Activities (as defined in the Exchange's Corporate Finance Manual) shall not vest and become exercisable as to more than 1/4 of the options in any three month period, so that such option shall not be fully vested and exercisable before 12 months after the date of issue.
- d) Termination of Position with the Company. Upon the termination of the optionee's position as an employee, director, consultant or management company employee for any reason (except as a result of termination for cause), the optionee's options shall be terminated 90 days after the date of such termination. Upon termination for cause, the option shall immediately terminate and be of no further force or effect. Upon termination of optionee's employment as a result of death, the optionee's right to exercise an option shall be limited to one year from the date of the optionee's death but in no event beyond the expiration of the term of the option. Subject to the foregoing, in the event of death, such option may be exercised by the optionee's legal representative. Options granted to an optionee who is engaged in Investor Relations Activities must expire within 30 days after such optionee ceases to be employed to provide Investor Relations Activities.

6. Transferability of Grants

Any option granted pursuant to the Plan shall be non assignable and non-transferable by the person to whom it was granted except by will or the laws of descent and distribution and shall be exercisable, during the person's lifetime, only by that person.

7. Listing and Registration

Each grant shall be subject to the requirement that, if at any time the Board shall determine in its sole discretion that the listing, registration or qualification of the Common Shares subject to such grant upon any exchange or under any provincial or federal law, or the consent or approval of any governmental regulatory body or the shareholders of the Company, is necessary or desirable as a condition of, or in connection with, such grant or the issue or purchase of Common Shares thereunder, no such grant may be exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected and obtained free of any conditions not acceptable to the Board.

8. Adjustment To Shares

In the event of a reorganization, recapitalization, change of shares, share split, spin-off, stock dividends, reclassification, extraordinary cash distribution, subdivision or combination of shares, merger, arrangement, consolidation, rights offering, or any other changes in the corporate structure or shares of the Company, the Board shall make such adjustments as it deems appropriate in the number and kind of shares authorized by the Plan, in the number and kind of shares covered by grants made under the Plan and in the purchase prices of outstanding options.

Upon the consummation of (i) a liquidation or dissolution of the Company; (ii) a re-organization, arrangement, amalgamation, merger or consolidation of the Company with one or more Companies as a result of which the holders of the outstanding voting securities of the Company immediately prior to the consummation of such transaction hold securities of the surviving company representing less than 50% of the outstanding voting power of the surviving company immediately after the consummation of the transaction; (iii) a sale or other disposition of all or substantially all of the assets of the Company; (iv) a sale or other disposition of more than 50% percent of the then outstanding voting securities of the Company to another person or entity; or (v) any other transaction determined by the Board to be a change of control (each of (i)-(v), a "Change of Control"), the Plan shall terminate, and any options then outstanding under the Plan shall terminate unless provision is made by the Board in writing in connection with such transaction for the continuance of the Plan and for the assumption of options then outstanding under the Plan, or the substitution of such options of new options covering the shares of the surviving or successor company or entity, or a parent or subsidiary thereof, with appropriate adjustments as to number and kind of shares and exercise prices, in which event the Plan and options then outstanding under the Plan shall continue in the manner and upon the terms so provided. If the Plan and unexercised options shall terminate pursuant to the foregoing sentence, all such options shall vest and become immediately exercisable in full immediately prior to consummation of the Change of Control which results in the termination of the Plan.

9. No Rights of Shareholders

Neither the optionee nor the optionee's personal representative shall be, or have any of the rights and privileges of, a shareholder of the Company in respect of any Common Shares purchasable upon the exercise of any option in whole or in part, unless and until certificates for such Common Shares have been issued.

10. Written Agreement

A written agreement shall be entered into between the Company and each person to whom an option is granted hereunder which agreement shall set out the option price and the terms and conditions on which the option may be exercised, all in accordance with the provisions of the Plan. The agreement shall be in such form as the Board may from time to time approve.

11. Amendment of the Plan

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Common Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend the Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate the Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

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APPENDIX “B”
UCORE RARE METALS INC.
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

I. Purpose

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. The committee will also be responsible for identifying principal risks of the business and ensuring appropriate risk management techniques are in place.

The Audit Committee charges management with developing and implementing procedures to:

- ensure internal controls are appropriately designed, implemented and monitored
- ensure reporting and disclosure of required information is complete, accurate, and timely.

The Audit Committee will make recommendations to the board of directors (the “**Board**”) of Ucore Rare Metals Inc. (the “**Company**”) regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the committee’s responsibilities as described in the mandate.

II. Composition of Committee

The committee will be composed of a minimum of three directors from the Board, with a majority of the members who are not employees, officers or control persons, as required by the rules of the TSX-V.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member to the committee is not financially literate as required, the person will be provided a three month period in which to achieve the desired level of literacy.

III. Authority

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors.

The Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Audit Committee.

IV. Responsibilities

1. The Audit Committee will recommend to the Board:
 - the external auditor to be nominated for purposes of preparing or issuing the auditor’s report or performing other audit, review or attest services for the Company
 - the compensation of the external auditor

2. The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the Auditor's Report or performing other review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Audit Committee will also ensure that the external auditor is in good standing with the Canadian Public Accountability Board ("CPAB") and will enquire if there are any sanctions imposed by the CPAB on the external auditor. The Audit Committee will also ensure that the external auditor meets the rotation requirements for partners and staff on the Company's audit.
3. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor. The Audit Committee has delegated to the Chair of the committee the authority to pre-approve non-audit services up to an amount of \$5,000, with such pre-approved services presented to the Audit Committee at the next scheduled Audit Committee meeting following such pre-approval.

De minimis non-audit services satisfy the pre-approval requirement provided:

- the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount of fees paid by the Company and its subsidiaries to the external auditors during the fiscal year in which the services are provided;
 - the Company or subsidiaries, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by the Chair of the Audit Committee, who has been granted authority to pre-approve non-audit engagements.
4. The Audit Committee will review and discuss with management and the external auditors the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditors' written communications to the Committee and to management.
 5. The Audit Committee reviews the Company's financial statements, MD&A as well as annual and interim earnings press releases and recommends such to the Board, prior to public disclosure of such information.
 6. The Audit Committee ensures that adequate procedures are in place for the review of financial information extracted or derived from the Company's financial statements, contained in the Company's other public disclosures and must periodically assess the adequacy of those procedures.
 7. The Audit Committee establishes procedures for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
 8. The Audit Committee reviews and approves the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

9. The Audit Committee will, with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109.
10. The Audit Committee will undertake a process to identify the principal risks of the business and ensure appropriate risk management techniques are in place. This will involve enquiry of management regarding how risks are managed.

V. Reporting

The reporting obligations of the Committee will include:

- Report to the Board on the proceedings of each Audit Committee meeting and on the Audit Committee's recommendations at the next regularly scheduled Board meeting.
- Review the disclosure required in the Company's Annual Information Form or Management Information Circular as required by Form 52-110F2.

VI. Meetings

The Committee will meet at least four times per year and at least once every fiscal quarter. Meetings may also be convened at the request of the external auditor.

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