



# CANDENTE COPPER CORP



**NOTICE OF MEETING  
AND INFORMATION CIRCULAR  
FOR THE  
ANNUAL GENERAL AND SPECIAL MEETING OF  
CANDENTE COPPER CORP.**

**TO BE HELD ON WEDNESDAY, JUNE 22, 2022**

**DATED: MAY 20, 2022**



**CANDENTE  
COPPER CORP**  
TSX:DNT BVL:DNT

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## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the 2022 Annual General and Special Meeting (the "**Meeting**") of the shareholders of CANDENTE COPPER CORP. (the "**Company**") will be held in the boardroom of 800 West Pender Street, Suite 910, Vancouver, British Columbia, Canada, V6C 2V6, on Wednesday, June 22, 2022 at 10:00 a.m. (Pacific Time) for the following purposes:

1. to receive the report of the directors;
2. to receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2021, and the auditor's report thereon. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading "ADDITIONAL INFORMATION";
3. to fix the number of directors at seven (7). For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading "ELECTION OF DIRECTORS";
4. to elect the directors of the Company for the ensuing year. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading "ELECTION OF DIRECTORS"; and
5. to appoint Kreston GTA LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year and authorize the directors to fix its remuneration. For detailed information regarding this matter, please refer to the subsection in the Information Circular under the heading "APPOINTMENT OF AUDITOR".

Accompanying this Combined Notice Information Circular, are the Form of Proxy (the "**Proxy**") or Voting Instruction Form ("**VIF**") and Financial Statement Request Form. The Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

**In compliance with the current government orders and guidelines aimed at ensuring public safety in the face of the COVID-19 pandemic Candente Copper strongly encourages shareholders to vote in advance of the meeting using the Form of Proxy or VIF. If you wish to attend in person you must pre-register by email to [info@candentecopper.com](mailto:info@candentecopper.com). Please be sure to vote in advance of the meeting prior to the 10:00 am Pacific Time deadline on Monday, June 20, 2022.**

Dated at Vancouver, British Columbia, on May 20, 2022.

### BY ORDER OF THE BOARD OF DIRECTORS

*"Joanne C. Freeze"* (signed)  
President, Chief Executive Officer and Director



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## LETTER TO SHAREHOLDERS

Dear Shareholders:

The directors of Candente Copper would normally cordially invite you to attend the annual general and special meeting of the shareholders of the Company in person, however due to the COVID pandemic we encourage you to vote in advance of the Meeting (prior to the 10:00 a.m., Pacific Daylight Time, deadline on Monday, June 20, 2022) and to participate in the Meeting by Zoom if desired. Details of the Zoom broadcast may be received by registering by email to [info@candentecopper.com](mailto:info@candentecopper.com).

Global copper demand has entered a new super-cycle and it is now considered one of the most essential materials in our daily life. This demand was brought on by the explosion in the emerging electric vehicle market and other clean energy technologies, electrification of emerging economies, transportation equipment, and home appliances. Couple the increased global demand with the scarcity of exploration and development of new copper projects, the increasing copper prices are clearly explained. Since May 2021, the price of copper has stayed predominantly above US\$4.00/lb and has at times risen as high as US\$4.83/lb.

On February 8, 2022 the Company announced completion by Ausenco Engineering Canada Inc. of a positive Preliminary Economic Assessment (“PEA”) on our Cañariaco copper project in Northern Peru. The Company is very pleased with the results of this new PEA.

The Company is very pleased with the results of this new PEA which has achieved three key project objectives: 1) a lower initial capital cost; 2) a subsequent project expansion financed from cash flow and 3) enhanced environmental, social, and governance (“ESG”) practices. Management believes the lower CapEx will offer more opportunities to finance the project. The focus on enhancing ESG practices led to a single dry stack waste management facility with co-mingling and co-disposal of waste rock and filtered mill tailings, would achieve an overall smaller footprint for the project that is also further distanced from farming communities. Building on the ESG mandate, geo-metallurgical modelling of the Cañariaco Norte deposit gives a better understanding of the mineralization, resulting in a highly marketable concentrate with no need for arsenic treatment and lowers the projected operating cost estimate.

The 2022 PEA presents an alternative business case for developing the Cañariaco Project with a smaller initial CapEx, however larger companies could prefer to develop it as a larger project with a much higher throughput on start-up. The Cañariaco project offers many advantages. It is reasonably close to key road and power infrastructure, has a low strip ratio, moderately soft rock, low operating cost and offers excellent potential for discovery of additional mineralization. The very large data base from previous engineering work supports the 2022 PEA which together could allow moving directly into a feasibility evaluation phase.

The Company is also very pleased to now have Cañariaco Norte included in four research reports that compare various global copper projects. **RFC Ambrian:** Cañariaco Norte in top 10 of 23 projects with potential to involve third party M&A (December 2021); **Haywood:** Cañariaco Norte is one of 18 assets selected as likely to be considered by majors looking to acquire (December 2021); **Deutsche Bank:**

Cañariaco Norte identified as one of three projects required to meet the upcoming copper supply-demand gap (February 2021); **Goldman Sachs:** Cañariaco Norte identified with incentive copper price in the lowest quartile of the top 84 copper projects worldwide (October 2018). In addition to the above, Cañariaco Norte, is now the 10<sup>th</sup> largest late-stage copper resource in the world and 5<sup>th</sup> highest in grade (RFC Ambrian, December 2021 and Haywood, December 2021).

We would like to thank our Board of Directors for their guidance, our employees for their commitment and especially all of our shareholders for their support and patience.

Sincerely,

*“Joanne Freeze”*

Joanne Freeze, President, Chief Executive Officer and Director

**CANDENTE COPPER CORP.**  
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**MANAGEMENT INFORMATION CIRCULAR**  
(Containing information as at May 20, 2022, except as  
indicated otherwise)

**SOLICITATION OF PROXIES**

Candente Copper is providing this Information Circular in connection with management's solicitation of proxies for use at the annual general and special meeting of the Company (and any adjournment thereof) to be held on June 22, 2022 (the "**Meeting**"), at the time and place and for the purposes set forth in the notice of Meeting (the "**Notice of Meeting**"). Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included.

The solicitation of Proxies will be primarily by mail, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares in the authorized share structure of the Company ("**Common Shares**") held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

**APPOINTMENT OF PROXYHOLDERS**

The individuals named ("**Management's Nominees**") in the accompanying form of proxy (the "**Form of Proxy**") or are directors and/or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting has the right to do so, either by striking out the names of those persons named in the accompanying Form of Proxy and inserting the desired person's name in the blank space provided in the form of proxy or by completing another form of proxy. A proxy will not be valid unless the completed Form of Proxy is received by Computershare Trust Company of Canada ("**Computershare**" or the "**Transfer Agent**"), Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment or postponement thereof.** Proxies delivered after that time will not be accepted.

The Company has given notice of the Meeting in accordance with NI 54-101, pursuant to which it has sent the Notice of Meeting, Information Circular, Proxy and a financial statement request form directly to its registered shareholders ("**Registered Shareholders**") and indirectly to its beneficial shareholders ("**Beneficial Shareholders**").

## REVOCABILITY OF PROXIES

A Registered Shareholder of Common Shares who has given a Proxy may revoke it by an instrument in writing executed by the Registered Shareholder or by his or her attorney authorized in writing or, where the Registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 (Attention: Brett Kagetsu), at any time up to and including the last business day preceding the day of the Meeting, with the Chair of the Meeting on the day of the Meeting or if adjourned, any reconvening thereof, or in any other manner provided by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

## EXERCISE OF DISCRETION

The Common Shares represented by a properly executed Proxy in favour of Management's Nominees in the accompanying form of Proxy will be voted or withheld from voting in accordance with the instructions of the person appointing the proxy holder on any ballot that may be taken and where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made in such Proxy. **ON A POLL SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR FOR WHICH BOTH CHOICES HAVE BEEN SPECIFIED, BY THE REGISTERED SHAREHOLDER.**

**The Proxy will confer discretionary authority on the nominees named therein with respect to each matter or group of matters identified therein for which a choice is not specified or, any amendment to or variation of any matter identified therein and any other matter that properly comes before the Meeting.**

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting but, if any amendment, variation or other matter properly comes before the Meeting, each nominee in the accompanying form of Proxy intends to vote thereon in accordance with the nominee's best judgement.

## REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare, by mail or by hand to the Proxy Dept., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the Proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number;
- (c) using the Internet via the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or

- (d) using a Smartphone, scanning the QR codes on the Proxy, in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.

## **BENEFICIAL (NON-REGISTERED) SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular, collectively, as “Beneficial Shareholders”) should note that only Proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.** If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker. In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS Inc. (the registration name for CDS Clearing and Depository Services Inc., and which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person in accordance with the procedures outlined in this section.

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

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of Proxy provided to them and return the same to their broker (or the**

**broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.**

This Information Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**NOBOs**”). Subject to the provision of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of Proxy-related materials directly (not via Broadridge) to such NOBOs.

Meeting materials sent to Beneficial Shareholders who have not waived their right to receive Meeting materials are accompanied by a request for a VIF. This form is provided instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

The Company is taking advantage of NI 54-101 which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF from the Company's transfer agent, Computershare. The VIF is to be completed and returned to Computershare in the manner described in the VIF. Computershare tabulates the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by those VIFs.

The Company has adopted the procedure described in NI 54-101 and NI 51-102 to distribute its proxy-related materials to the Registered and Beneficial Shareholders. In addition, the Company has elected to pay to distribute its proxy-related materials to the OBOs.

These meeting materials are being sent to both registered and non-registered owners of the Common Shares. If you are a Beneficial Shareholder, and the Company or its transfer agent, Computershare, has sent these 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 these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

**IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE “REQUEST FOR VOTING INSTRUCTIONS” (VIF) THAT RELATES TO THIS INFORMATION CIRCULAR.**

#### **RECORD DATE AND VOTING SECURITIES**

The Company has set the close of business on **Monday, May 16, 2022**, as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only the Registered Shareholders, and those Beneficial Shareholders entitled to receive notice pursuant to NI 54-101 through their intermediaries, as at that date, are entitled to receive notice of and to vote at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date. Shareholders represented by proxy holders are not entitled to vote on a show of hands.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares, of which 269,690,160 were issued and outstanding as at the Record Date and the date hereof. Persons who are Registered Shareholders at the close of business on May 16, 2022, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, only the following shareholder beneficially owns, controls or directs, directly or indirectly, Company Shares carrying 10% or more of the voting rights attached to any class of voting securities of the Company:

Shareholder Name	Number of Company Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Company Shares
Nascent Exploration Pty Ltd. <sup>1</sup>	52,900,000	19.6%

Note:

<sup>(1)</sup> Nascent Exploration Pty Ltd. is a wholly owned subsidiary of Fortescue Metals Group Ltd. ("Fortescue").

For information concerning the Company's incorporation particulars, corporate structure, business history and description, and projects, please refer to the Company's Annual Information Form for the year ended December 31, 2021, which is dated March 31, 2022. Copies are available both on the SEDAR database at [www.sedar.com](http://www.sedar.com) and on the Company's website, [www.candentecopper.com](http://www.candentecopper.com).

## ELECTION OF DIRECTORS

The board of directors of the Company (the "**Board**") presently consists of seven (7) directors and it is intended to determine the number at and to elect seven (7) directors for the ensuing year. The term of office of each of the directors expires at the Meeting.

The Company has adopted a majority voting policy with respect to the election of directors. See Schedule "A", "Statement of Corporate Governance Practices - Majority Voting Policy" for details.

Shareholders can vote for all of the proposed nominees for directors of the Company, vote for some of the proposed nominees and withhold for others, or withhold for all of the proposed nominees. **Unless holders provide other instructions, the enclosed Proxy will be voted for the nominees listed below, all of whom are presently members of the Board.** Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the Common Shares represented by the Proxy for the election of any other person or persons as directors.

In the following table and notes are the names of each person proposed to be nominated by management for election as a director (a "**proposed director**"), the province or state and country in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation, the

period of time for which he or she has been a director of the Company, and the number of Common Shares beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the date hereof.

Name, Province or State and Country of Residence and Position <sup>(1)</sup>	Principal Occupation, Business or Employment for Preceding Five Years <sup>(1)</sup>	Date of Appointment/Election as a Director	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed
<p>Joanne C. Freeze, P.Ge. <sup>(5)</sup>                      British Columbia, Canada  <i>President, CEO, Corporate Secretary and Director</i></p>	<p>Professional Geoscientist since 1989. Geological and Exploration Consultant since 1981. CEO of the Company since July, 1997; President of the Company from July 1997 to August 2008 and again since March 2018.</p>	<p>July 11, 1997</p>	<p>7,215,480</p>
<p>Sean I. Waller, P.Eng. (retired) <sup>(4)(6)</sup>                      British Columbia, Canada  <i>Independent Director, Key Advisor</i></p>	<p>Retired Professional Engineer. Formerly, Vice-President Development or President of the Company from August 2008 until March 2018. Past-President of the Canadian Institute of Mining, Metallurgy and Petroleum. Formerly Senior Advisor with Wood Mining and Minerals.</p>	<p>July 10, 2009</p>	<p>3,445,092</p>
<p>Andres J. Milla Comitre,                      M.A.Ec. <sup>(2)(3)(4)(6)</sup>                      Lima, Peru  <i>Independent Director</i></p>	<p>Professional Economist. Currently President and CEO of Minera Kinacox S.A. Formerly, CEO of First Capital Partners Peru from 2009 to 2013, and President and CEO of Credibolsa SAB, Lima, Peru, from 2006 to 2008. Mr. Milla was also the Capital Markets Project Manager in the Finance Area of Banco de Crédito del Perú from 2000 to 2005.</p>	<p>July 10, 2009</p>	<p>756,100</p>
<p>George Elliott, BA (Hons)                      LL.B <sup>(2)(3)(5)(6)</sup>                      Ontario, Canada  <i>Independent Director</i></p>	<p>Lawyer and independent director of various public companies with over 40 years' experience in corporate finance, new business development and relationship management.</p>	<p>August 23, 2011</p>	<p>456,480</p>
<p>Giulio Bonifacio, CPA <sup>(2)(3)(4)(6)</sup>                      British Columbia, Canada  <i>Independent Director,                      Non-Executive Chairman</i></p>	<p>Chartered Professional Accountant.                      Mr. Bonifacio Non-Executive Chairman of the Company from July 1, 2020 to present. Co-Founder, Non-Executive Chairman of NevGold Corp. from June 2021 to present. President &amp; CEO of Sabre Gold Mines Corp. from April 2019 to present. President &amp; CEO, Non-Executive Chairman and Director of</p>	<p>January 28, 2020</p>	<p>4,000,000</p>

	Faraday Copper Corp. from May 2018 to April 2022. Founder, Director, CEO & President of Nevada Copper Corp. from 2005 to 2018.		
Christine Nicolau <sup>(7)</sup> Buenos Aires, Argentina <i>Fortescue Director</i>	General Manager of Metals, Latin America, for Fortescue (“FMG”). Responsible for FMG’s South American minerals business including exploration, project development and other growth activities. Ms. Nicolau has been with Fortescue for over 10 years. During this time, Ms. Nicolau has held a range of management positions across Australia and South America.	May 18, 2021	48,500,000 <sup>(8)</sup>
Luis Miguel Inchaustegui Zevallos <sup>(5)</sup> Lima, Peru <i>Independent Director</i>	Lawyer, MBA, Consultant on strategic issues, corporate affairs and sustainable development. Minister of Energy and Mines in Peru from August to November 2020, consultant to External Products and Services (PEC) of the Inter-American Development Bank from March to August 2020, Independent Director of Turmalina Metals Corp. during 2019 and 2020. He also served as Vice Minister of Mines from May 2018 to April 2019 and as Vice President of Corporate Affairs and Sustainable Development of Gold Fields La Cima SA from April 2012 to September 2017.	November 10, 2021	Nil

Notes:

- (1) The information as to province or state and country of residence and principal occupation, business or employment not being within the knowledge of the Company, has been furnished by the respective nominees.
- (2) Member of the Audit Committee. Chair: Andres Milla.
- (3) Member of the Compensation Committee. Chair: George Elliott.
- (4) Member of the Strategy and Finance Committee. Chair: Sean Waller.
- (5) Member of the ESG & Shared Value Committee. Chair: Luis Miguel Inchaustegui.
- (6) Member of the Special Committee. Chair: Giulio Bonifacio.
- (7) Fortescue’s Board representative.
- (8) Common shares held by Nascent Exploration Pty Ltd., (“Fortescue”) whom Christine Nicolau represents.

To the knowledge of the Company, no director or proposed director (or any of their personal holding companies):

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity of director, CEO or CFO of such company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO, or CFO of such company; or

- (b) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security-holder in deciding whether to vote for a proposed director.

## STATEMENT OF EXECUTIVE COMPENSATION

### Named Executive Officers

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

- (a) a CEO of the Company;
- (b) a CFO of the Company;
- (c) each of the three most highly compensated executive officers of the Company including any subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 – *Statement of Executive Compensation*, for the December 31, 2021, financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity at December 31, 2021.

During the financial year ended December 31, 2021, the Company has two NEOs: Joanne Freeze, the Company’s CEO and President and Mark Lotz, the Company’s CFO.

### Compensation Governance

The Compensation Committee discharges the Board’s responsibilities relating to compensation of the Company’s executive officers. Among other things, the Compensation Committee has overall responsibility for recommending levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the CEO, senior officers and other key employees and for recommending compensation for Directors.

The Compensation Committee performs any other duties or responsibilities delegated to the Compensation Committee by the Board from time to time.

### **Responsibilities of the Compensation Committee**

- (a) The Compensation Committee has the authority to engage and terminate independent legal, accounting or other advisors or consultants.
- (b) The Company provides for appropriate funding, as determined by the Compensation Committee, for payment of compensation to any consultants or other advisors employed by the Compensation Committee, provided however that such funding will not exceed \$25,000 annually without the prior approval of the Board.
- (c) The Compensation Committee has the authority to engage and terminate compensation consultants to assist in the evaluation of Director or executive officer compensation and, subject to paragraph (b) above, the authority to approve the fees and other retention terms of such compensation consultants.
- (d) The Compensation Committee reviews and assesses the adequacy of its Charter periodically and recommends any proposed changes to the Board for approval.
- (e) The Compensation Committee annually reviews its own performance.

### **Reporting**

The Compensation Committee prepares any report relating to compensation required by the rules of the Exchange and the Commissions and reports on its activities to the Board.

### **Establishment of Executive Compensation Policies and Programs**

- (a) The Committee reviews all compensation arrangements for the CEO and other executive officers of the Company including salaries, bonus, incentive compensation and equity based compensation plans, and makes recommendations to the Board for their approval.
- (b) Without limiting the foregoing, the Committee reviews all proposed employment and retention agreements with any executive officer of the Company, as well as severance agreements that provide benefits in excess of those set forth in any severance and termination plans previously approved by the Committee or the Board.

### **Membership**

The Compensation Committee members currently are: Messrs. George Elliott (Chair), Andres J. Milla Comitre and Giulio Bonifacio, all of whom are considered “independent” within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*. The Compensation Committee members have previous experience in, among other things, evaluating overall compensation policies, plans and practices as well as setting compensation for executive officers, overseeing and administering equity compensation plans and establishing employment, retention and severance arrangements for executive officers.

### **Share-based and Option-based Awards**

At the end of each reporting period, the Company’s management reviews the performance of its NEOs during the year, against corporate and personnel goals that management has control over, to determine whether the Company should grant share-based and/or option-based awards. Management then proposes awards to the Compensation Committee. The Compensation Committee then reviews management’s recommendations and passes a resolution recommending to the Board that options be granted to the Company’s management. The Compensation Committee also plays an active role in reviewing existing equity incentive plans, under which option-based awards are granted. The Company has not granted any share-based awards. See “Securities Authorized for Issuance Under Equity Compensation Plans” for a description of the RSU Plan (as defined herein).

## COMPENSATION DISCUSSION AND ANALYSIS

### Compensation Discussion and Analysis

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation for the fiscal year ended December 31, 2021, and prior fiscal years has historically been based upon a negotiated salary or consulting fee, with stock options and bonus potentially being issued and paid as an incentive for performance. In each year, the Compensation Committee reviews the salary, bonus, stock options and other direct or indirect benefits for Management, considering all relevant matters including the goals of the Company and the effectiveness of management in achieving those goals, the skill, qualifications and level of responsibility of Management and compensation provided by comparative companies. Based on these factors, the Compensation Committee then makes recommendations to the Board.

In each year, the Compensation Committee reviews management performance against corporate and individual goals set for the year. In taking into account corporate performance, it is recognized that many factors are beyond the control of management, such as foreign exchange, interest rates and metal prices. As a result, goals are based more on factors over which management can exercise control, such as advancement of the Company's projects, actual operating and capital expenditure costs as compared to budget and improvement of relationships with suppliers, Shareholders and partners. The Compensation Committee has not formally considered the implications of the risks associated with the Company's compensation policies and practices.

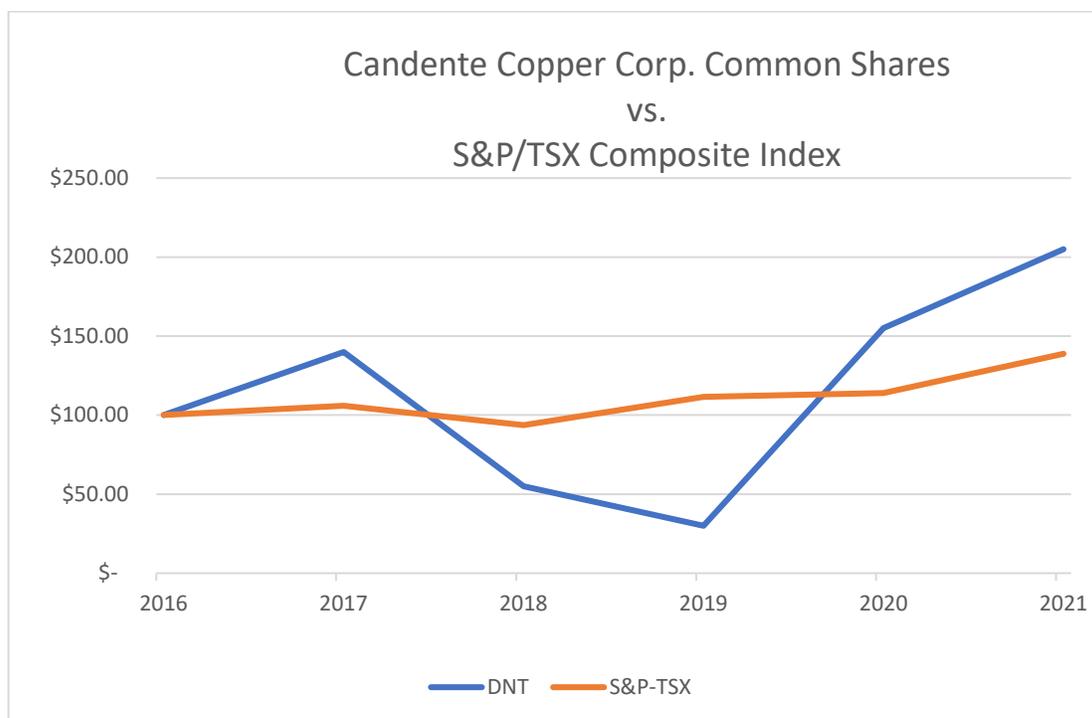
As the Compensation Committee management's performance at year end December 31, 2021, it took into consideration the objectives of executive compensation related to the annual incentive bonus and the Company's stock option plan (the "**Option Plan**").

The Option Plan was established to provide incentives to qualified persons to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer term operating performance of the Company. In determining the number of options to be granted to the executive officers each year, the Board takes into account the number of options, if any, previously granted to each executive officer, and the performance of that officer to the date options are granted each year. The Option Plan is the sole long term component of management compensation, and helps ensure that compensation is closely aligned with Shareholder interests.

The Company has not placed a restriction on the purchase by its NEOs or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or employee. To the Company's knowledge, none of the NEOs have purchased any such financial instruments.

### Performance Graph

The following chart compares the total cumulative shareholder return on \$100 invested in common shares of the Company on December 30, 2016, with the cumulative total returns of the S&P/TSX Composite Index for the five most recently completed financial years to December 31, 2021.



	2016	2017	2018	2019	2020	2021
<b>DNT</b>	\$100.00	\$140.00	\$55.00	\$30.00	\$155.00	\$205.00
<b>S&amp;P-TSX</b>	\$100.00	\$106.03	\$93.69	\$111.62	\$114.04	\$138.82

### Summary Compensation Table

The following table sets forth all direct and indirect compensation, paid or payable, in connection with services provided to the Company for the three most recently completed financial years ended December 31, 2019, December 31, 2020, and December 31, 2021, in respect of the NEOs of the Company.

Name and Principal Position	Year <sup>(1)</sup>	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation	Total Compensation (\$) <sup>(3)</sup>
					Annual Incentive Plans	Long-Term Incentive Plans			
Joanne C. Freeze President, CEO & Director <sup>(6)</sup>	2021	124,250	Nil	13,418	Nil	Nil	Nil	Nil	137,668
	2020	64,559	Nil	158,739	Nil	Nil	Nil	Nil	223,298
	2019	84,000 <sup>(6)</sup>	Nil	23,293	Nil	Nil	Nil	Nil	107,293
Mark Lotz CFO <sup>(5)</sup>	2021	35,547	Nil	Nil	Nil	Nil	Nil	Nil	35,547
	2020	21,264	Nil	1,195	Nil	Nil	Nil	Nil	22,459
	2019	27,500 <sup>(7)</sup>	Nil	7,216	Nil	Nil	Nil	Nil	34,715

Notes:

(1) Fiscal years ending December 31, 2019, 2020 and 2021.

- (2) Amount is based on the grant date fair value of the award for the financial year using the Black Scholes option pricing model using the following weighted average assumptions: volatility – 114.52% (2020 – 111.07%; 2019 – 110.88%); risk free interest rate – 0.869% (2020 – 1.32%; 2019 – 1.46%); expected life of options – 5 years (2020 – 5 years; 2019- 5 years); estimated forfeiture rate 0% (2020 – 0%; 2019- 0%).
- (3) NEOs who are also directors of the Company do not receive compensation for services rendered as a director.
- (4) Paid or accrued to Ms. Freeze directly or to Ridley Rocks Inc., of which Ms. Freeze is the principal.
- (5) Mr. Lotz was appointed as CFO in October 2018.
- (6) Ms. Freeze was appointed as President in March 2018.
- (7) Paid or accrued to Lotz CPA Inc. of which Mr. Lotz is the principal.

## INCENTIVE PLAN AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the NEOs.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
Joanne C. Freeze President, CEO & Director	100,000	0.15	May 7, 2026	\$2,750	50,000	\$2,750
	1,750,000	0.05	January 27, 2025	\$271,250	Nil	Nil
	500,000	0.05	July 19, 2024	\$77,500	Nil	Nil
	450,000	0.07	November 19, 2023	\$60,750	Nil	Nil
Mark Lotz CFO	100,000	0.05	July 19, 2024	\$15,500	Nil	Nil
	300,000	0.07	October 1, 2023	\$40,500	Nil	Nil

Note:

- (1) This amount is calculated as the difference between the market value of the Common Shares underlying the options on December 31, 2021 (being the last trading day of the Common Shares for the financial year), which was CAD\$0.155, and the exercise price of the options.

### Incentive Plan Awards – Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to the Company's NEOs is presented below.

Name	Option-Based Awards – Value Vested During the year (\$)	Share-Based Awards – Value Vested During the year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the year (\$)

Joanne C. Freeze President, CEO & Director	\$16,607	N/A	N/A
Mark Lotz CFO	\$30	N/A	N/A

### Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

### Termination and Change of Control Benefits

The Company and its subsidiaries have no employment contracts with any NEOs, any contract, agreement, plan or arrangement that provides for payments to the NEOs at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEOs' responsibilities, except as follows:

Pursuant to a management agreement (the "**RRI Management Agreement**") and a geological services agreement (the "**RRI Geological Services Agreement**" and collectively with the RRI Management Agreement, the "**RRI Agreements**") both made as of March 1, 2018, between the Company and Ridley Rocks Inc. ("**RRI**"), a company owned by Ms. Joanne Freeze, the Company's CEO, RRI provides geological consulting services and management services for the Company. Remuneration for the CEO role is currently set at \$7,000 per month for 60 hours of time per month.

Any work done beyond the hours covered under the retainer is to be at an hourly fee (the "Fee") of \$100.00 to a maximum of \$1,000.00 per day. Candente's board of directors reviews the Fee on an annual basis. The RRI Geological Services Agreement provides for fees of \$100.00 per hour to a maximum of \$1,000.00 per day to be paid for geological services.

Both contracts provide for the payment of discretionary annual performance bonus to be determined by the Company's Compensation Committee and approved by the board of directors, with an initial target bonus of \$75,000 for the CEO role and \$50,000 for the Geological Consulting role.

The RRI Agreements may both be terminated by the Company with three months' notice and by making a severance payment of \$200,000. In the event the Company enters into a definitive agreement providing for a "change of control" (as defined in the RRI Management Agreement) or a change of control of the Company occurs, RRI has the right under the RRI Management Agreement at any time to the date that is sixty (60) days following the date of the change of control, to terminate the RRI Management Agreement, whereupon the Company is required to pay to RRI a fee of \$500,000.

For the purposes of the RRI Agreements, a "change of control" shall be evidenced by the election or appointment of a majority of new directors of the Company not proposed by management or the acquisition by any person or by any person together with such person's affiliates or associates, as such terms are defined in the *Securities Act* (British Columbia), and whether directly or indirectly, of common shares of the Company which, when added to all other common shares of the Company at the time held by such person and such person's affiliates and associates, totals for the first time 50% or more of the outstanding common shares of the Company. The "change of control" will be in effect for each Consultant up to one year from the last day they provide service to the Company whether service is terminated by Resignation or Termination".

Pursuant to a consulting services agreement (the “**Lotz CPA Agreement**”) made as of October 1, 2018, between the Company and Lotz CPA Inc. (“**Lotz CPA**”), a company owned by Mr. Mark Lotz, the Company agreed to retain Mr. Lotz to provide financial consulting & Chief Financial Officer services at a fee of \$28,500 per annum. In the event the Company enters into a definitive agreement providing for a “change of control” (as defined in the Lotz CPA Agreement) or a change of control of the Company occurs, Lotz CPA has the right under the Lotz CPA Agreement at any time to the date that is sixty (60) days following the date of the change of control, to terminate the Lotz CPA Agreement, whereupon the Company is required to pay to Lotz CPA a fee of \$28,500. In addition, the Lotz CPA Agreement provides for Severance payment of \$28,500 on termination of the consulting services, by the Company, without cause. Any Severance payment would be deducted from the Change in Control payment. Effective January 1, 2021 the annual fee was increased to \$29,925 per annum.

### **Estimated Incremental Payments on Change of Control**

If, effective December 31, 2021, the Company terminated the RRI Agreements without cause or RRI terminated the RRI Agreements within 60 days months following a change of control of the Company, RRI would have been entitled to receive \$160,000 (or \$500,000 in the case of a change of control) from the Company, the estimated incremental payment upon termination.

If, effective December 31, 2021, the Company terminated the Lotz CPA Agreement without cause or Lotz CPA terminated the Lotz CPA Agreement within 60 days following a change of control of the Company, Lotz CPA would have been entitled to receive \$28,500 from the Company, the estimated incremental payment upon termination.

All amounts referred to above in respect of estimated incremental payments on change of control to RRI and Lotz CPA are exclusive of applicable taxes.

### **Director Compensation**

The following table sets forth all amounts of compensation provided to directors who served in that capacity and were not NEOs for any part of the Company’s most recently completed financial year.

#### **Director Compensation Table**

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-Based Awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>All other Compensation</b>	<b>Total (\$)</b>
Agustin Pichot <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Giulio Bonifacio	61,000	Nil	106,992	Nil	Nil	167,992
George Elliott	51,000	Nil	23,393	Nil	Nil	74,393
Luis Miguel Inchaustegui Zevallos <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Andres J. Milla Comitre	51,000	Nil	23,393	Nil	Nil	74,393

Christine Nicolau <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Sean Waller	46,000	Nil	39,806	Nil	Nil	85,806

Notes:

- (1) Mr. Pichot was appointed as a Director, representing Fortescue on August 21, 2020 and resigned effective May 18, 2021.
- (2) Ms. Nicolau was appointed as a Director, representing Fortescue on May 18, 2021.
- (3) Mr. Inchaustegui was appointed as an Independent Director on November 10, 2021.

### Schedule of Directors' Fees

The fees payable to the directors of the Company are for their services as directors and as members of committees of the Board and are as follows:

Board or Committee Name	Annual Retainer <sup>(1)</sup>	Annual Chair Retainer <sup>(1)</sup>
Board of Directors	\$36,000	\$15,000
Audit Committee	\$5,000	\$10,000
Compensation, Governance and Strategy Committee <sup>(2)</sup>	\$5,000	\$10,000
Technical Committee <sup>(3)</sup>	\$5,000	\$10,000

Notes:

- (1) Effective July 1, 2020, the Directors fees are: \$36,000 per year, Committee (all) Fees: \$5,000 per year, Chair of Committees (all): \$10,000 per year and Chair of Board: \$15,000 per year which may all be remunerated using deferred share units (“DSUs”) issued pursuant to the DSU Plan (defined below).
- (2) Compensation, Governance and Strategy Committee was modified in February 7, 2022 and Board committees at the date of this Circular are: Audit Committee, Compensation Committee, Strategy & Finance Committee, ESG & Shared Value Committee and Special Committee. See Schedule “A”- *Corporate Governance Disclosure – Board Committees* for details.
- (3) Technical Committee was dissolved in February 7, 2022.

### Incentive Plan Awards – Outstanding Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the directors of the Company who were not NEOs, during the most recently completed financial year.

Director Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) <sup>(1)</sup>
Giulio Bonifacio	1,000,000	0.15	May 07, 2026	55,000

George Elliott	200,000	0.15	May 07, 2026	11,000
	750,000	0.05	January 27, 2025	116,250
	250,000	0.05	July 19, 2024	38,750
	250,000	0.07	November 19, 2023	33,750
Luis Miguel Inchaustegui Zevallos	400,000	0.18	November 10, 2026	10,000
	600,000	0.18	November 10, 2026	15,000
	400,000	0.06	June 17, 2025	58,000
Andres J. Milla Comitre	200,000	0.15	May 07, 2026	11,000
	750,000	0.05	January 27, 2025	116,250
Sean I. Waller	350,000	0.15	May 07, 2026	19,250
	1,000,000	0.05	January 27, 2025	155,000
	300,000	0.05	July 19, 2024	46,500

Note:

- (1) This amount is calculated as the difference between the market value of the Common Shares underlying the options on December 31, 2021 (being the last trading day of the Common Shares for the financial year), which was \$0.15, and the exercise price of the options.

### Incentive Plan Awards – Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not NEOs is presented below. This is consistent with the Company’s methodology for measuring and expensing stock-based compensation. These figures do not represent actual cash outlays by the Company.

Director Name	Option-Based Awards - Value Vested During The Year (\$)	Share-Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)
Giulio Bonifacio	67,088	Nil	Nil
George Elliott	13,418	Nil	Nil
Luis Miguel Inchaustegui Zevallos	88,228	Nil	Nil
Andres J. Milla Comitre	13,418	Nil	Nil
Sean I. Waller	23,481	Nil	Nil

A description of the significant terms of the Option Plan and DSU Plan and RSU Plan are found under the heading “Securities Authorized for Issuance Under Equity Compensation Plans” below.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table summarizes relevant information as of December 31, 2021, with respect to compensation plans under which equity securities are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights <sup>(1)</sup> (a)	Weighted-average exercise price of outstanding options and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	18,165,138 <sup>(2)</sup>	\$0.08	8,489,056
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	18,165,138	\$0.08	8,489,056

Notes:

- (1) Based on Company's 10% rolling" Option Plan, RSU Plan and DSU Plan, and 266,541,947 Common Shares issued and outstanding as of December 31, 2021. See the description of the Company's Option Plan below.
- (2) Inclusive of 15,250,000 options, 939,580 RSUs and 1,975,558 DSUs and granted pursuant to the Option Plan, RSU Plan and DSU Plan, respectively. See below and "Other Security-Based Compensations" below.

The Option Plan is a rolling 10% plan under which the maximum aggregate number of Common Shares reserved by the Company for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis). As of the date of this Information Circular, the Company had 269,690,160 Common Shares issued and outstanding, meaning the maximum aggregate number of Common Shares reserved by the Company for issuance and which may be purchased upon the exercise of all Options shall not exceed 26,969,016 Common Shares. As at the date of this Circular, the Company had 18,045,000 Options issued and outstanding representing approximately 6.69% of the issued and outstanding Common Shares with a total of 8,924,016 Common Shares, representing 3.31% of the issued and outstanding Common Shares available for future issuance under the Company's Option Plan.

The Board adopted the Option Plan in order to grant options to directors, officers, employees and consultants of the Company. The following is a brief description of the material provisions of the Option Plan.

*Administration:* The Option Plan shall be administered by a committee (the "**Committee**") appointed by the Board. Subject to the limitations of the Option Plan and to any express direction by resolution of Board, the Committee shall have the full power to grant options, to determine the terms, limitations, restrictions and conditions respecting such options and to settle, execute and deliver stock option agreements and bind the Company accordingly, to interpret the Option Plan and to adopt such rules, regulations and guidelines for carrying out the Option Plan as it may deem necessary or proper and to reserve, allot, fix the price of, and issue Common Shares pursuant to the grant and exercise of options, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Option Plan, taking

into consideration the recommendations of the Board and management. The decision of the Committee shall be binding, subject to any express direction by resolution of the Board from time to time and further provided that a decision of the majority of persons comprising the Board in respect of any matter under the Option Plan shall be binding and conclusive for all purposes and upon all persons. If no Committee is appointed, the Option Plan shall be administered as set out above by the Board.

*Total number of securities issuable and securities issued under the Option Plan:* In accordance with the terms of the Option Plan, the aggregate number of Common Shares issuable under the Option Plan (together with any Common Shares that may be issuable pursuant to any other security-based compensation arrangements) must not exceed 10% of the issued Common Shares on the date on which an option is granted.

*Option Exercise Price:* The option exercise price of any option granted under the Option Plan shall be equal to or greater than the volume weighted average trading price of the Common Shares on the TSX for the 5 trading days prior to the date of grant (or, if the Common Shares are not then listed and posted for trading on the TSX, such price as required by such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Committee). In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada or where the volume weighted average trading price does not, in the opinion of the Committee, reflect the current market price of the securities, the option exercise price of the options shall be determined by the Committee in its sole discretion.

*Blackout Expiration Term:* The Company may impose trading restricted periods on optionees due to the existence of material undisclosed information concerning the Company (a “**blackout period**”). In the circumstance where the end of the term of an option falls within a “blackout” or similar period imposed under any insider trading policy or similar policy of the Company, then the end of the term of such option shall be the tenth business day after the end of such blackout period. If the expiration date falls within two (2) business days after the end of a blackout period imposed by the Company, then the expiration date will be that date which is ten (10) business days after the end of the blackout period reduced by the number of business days between the original expiration date and the end of such blackout period (i.e. options whose original expiration date was two (2) business days after the end of the blackout period will only have an additional eight (8) business days to exercise).

*Amendment of Options Held by Insiders:* The approval of disinterested shareholders is required: (a) to reduce the exercise price of an option or to extend the term of an option if the optionee is an insider at the time of the proposed amendment; and (b) to amend the Option Plan to remove or exceed the insider participation limit that is set at 10% of the issued and outstanding Common Shares.

*Tax Withholding:* The Company has the right to deduct and withhold from any amount payable or consideration deliverable to an optionee, either under the Option Plan or otherwise, such amount or consideration as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the deduction, withholding or remittance of tax or any other required deductions or remittances with respect to awards under the Option Plan. The Company also has the discretion to satisfy any liability for any withholding obligations by withholding and selling, or causing a broker to sell, on behalf of any optionee such number of shares issued to the optionee pursuant to an exercise of options under the Option Plan as is sufficient to fund the withholding obligations (after deducting commissions payable to the broker and other costs and expenses), or retaining any amount or consideration which would otherwise be paid, delivered or provided to the optionee under the Option Plan. The Company may require an optionee, as a condition to granting an option or the exercise of an option, to make such arrangements as the Company may require to satisfy applicable withholding obligations, including, without limitation (i) requiring the

optionee to remit the amount of any such withholding obligations to the Company in advance; (ii) requiring the optionee to indemnify and reimburse the Company for any such withholding obligations; (iii) withholding and selling shares acquired by the optionee under the Option Plan, or causing a broker to sell such shares on behalf of the optionee, withholding from the proceeds realized from such sale the amount required to satisfy any such withholding obligations, and remitting such amount directly to the Company; or (iv) any combination thereof.

*Eligible participants under the Option Plan:* Persons eligible to participate under the Option Plan are persons providing services to the Company and who are directors, officers, employees and consultants of the Company or any subsidiary of the Company.

The Option Plan limits to not more than 10% of the issued Common Shares the following:

- (a) the total number of option shares issuable to insiders of the Company, at any time, under the Option Plan and all other security based compensation arrangements, and
- (b) the total number of option shares issued to insiders, during a one-year period, under the Option Plan and all other security based compensation arrangements.

*Vesting of Options:* Any options granted under the Option Plan shall vest in the optionee, and may be exercisable by the optionee in accordance with a vesting schedule to be determined by the Committee having regard to such factors as the nature of the relationship of each optionee to the Company, the length of service and the duties of the optionee.

*Terms of Options:* Options may be granted under the Option Plan exercisable over a period to be determined by the Committee having regard to such factors as the nature of the relationship of each optionee to the Company, the length of service and the duties of the optionee, such term to be set out in a stock option agreement.

*Causes of cessation of entitlement:* Any option, to the extent not validly exercised, may be terminated on an earlier date to be determined by the Committee having regard to such factors as the nature of the relationship of each optionee to the Company, reason for termination, the length of service and the duties of the optionee.

*Assignability of Options:* Options are not assignable or transferable by the optionee other than by will or the laws of descent and distribution and shall be exercisable during the optionee's lifetime only by the optionee.

*Amendment or termination of the Option Plan:* The Board may from time to time:

- (a) amend or revise the terms of the Option Plan, subject to TSX and Shareholder approval, if required; or
- (b) discontinue the Option Plan at any time,

provided however that no such amendment, revision or discontinuance may, without the consent of the optionee, adversely affect the optionee's rights under any option theretofore granted under the Option Plan.

The following types of amendments or revisions to the Option Plan do not require approval of the Company's Shareholders:

- (a) amendments of a "housekeeping" nature;
- (b) a change to the vesting provisions of the Option Plan or any option; and

- (c) a change to the termination provisions of the Option Plan or any option which does not entail an extension beyond the original expiry date.

The following types of amendments or revisions to the Option Plan, and any other amendments or revisions determined by the TSX, shall require approval of the Company's Shareholders:

- (a) any amendment to the number of Common Shares issuable under the Option Plan, including an increase to a fixed maximum number of Common Shares or a change from a fixed maximum number of Common Shares to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by Shareholders will not require an additional Shareholder approval;
- (b) any change to the eligible optionees that would have the potential of broadening or increasing insider participation;
- (c) the addition of any form of financial assistance to optionees or any amendment to a financial assistance provision that is more favourable to optionees;
- (d) the grant of any new option to an optionee who is an insider of the Company where the new option is granted within three months of the date of cancellation of a previous option with different terms held by the same insider and the terms of such new option would result in either a reduction in the exercise price or an extension of the term as compared to the previously cancelled option;
- (e) the addition of a deferred or restricted share unit or any other provision that results in optionees receiving Common Shares while no cash consideration is received by the Company;
- (f) any reduction in the exercise price of options held by insiders;
- (g) any amendment that extends the term of options held by insiders beyond the original expiry;
- (h) any amendment which would permit options to be transferable or assignable other than for normal estate settlement purposes; and
- (i) any amendment to an amending provision in the Option Plan.

*Cashless Exercise:* The Option Plan contains a cashless exercise provision whereby the Committee may, in its discretion, provide an optionee with the right and option to exercise an option by electing receive Common Shares equal in value to the difference between the exercise price and the market price of the Common Shares on the date of exercise, pursuant to a formula set out in the Option Plan.

*Adjustments:* Each option contains uniform provisions in such form as may be approved by the Committee to appropriately adjust the number and kind of Common Shares covered by the option and the exercise price of Common Shares subject to the option in the event of a declaration of stock dividends, or stock subdivisions or consolidations or reconstruction or reorganization or recapitalization of the Company or other relevant changes in the Company's capitalization (the "**Change in Capitalization**") (other than issuance of additional shares) to prevent substantial dilution or enlargement of the rights granted to the optionee by such option. The number of Common Shares available for options under the Option Plan shall be adjusted to reflect the Change of Capitalization, the number of Common Shares receivable on the exercise of an option granted under the Option Plan shall be adjusted to include or reflect the number of Common Shares which the optionee would have received upon such Changes in Capitalization as if the optionee had exercised the optionee's option immediately prior to the record date applicable to such Change in Capitalization, and the exercise price of the option shall be adjusted appropriately by the Committee and such adjustment shall be effective and binding for all purposes of the Option Plan, provided, however, that no adjustment will obligate the Company to issue or sell fractional shares.

*Annual Burn Rate:* The following table summarizes the burn rate (being the number of options granted under the Option Plan during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year) in respect of the Option Plan for the past three years:

<b>Fiscal Year</b>	<b>Burn Rate</b>
2021	1.33%
2020	3.20%
2019	1.81%

### **Other Security-Based Compensations**

In 2018, the Company adopted a deferred share unit plan (the “**DSU Plan**”) and restricted share unit plan (the “**RSU Plan**”) which were approved by shareholders at the 2018 Annual General Meeting.

#### **Deferred share units**

The Company has established a deferred share units plan under which deferred share units (“**DSUs**”) are granted to non-executive directors of the Company as part of long-term incentive compensation. Deferred share units are classified as equity settled share-based payment transactions such that the participants will receive either common shares of the Company or payment of cash, or any combination of the foregoing, as determined by the Company in its sole discretion, following a redemption event. As such, the Company recognizes the expense based on the quoted market price of the Company’s common shares at the grant date and a corresponding increase or decrease in equity for the eventual redemption when the DSUs are issued. During the last financial year, the Company granted 1,975,558 DSUs to non-executive directors of the Company. At the date of this Information Circular there are 2,558,155 DSUs outstanding.

The following is a summary of the principal terms of the DSU Plan:

- The maximum number of Common Shares made available for issuance from treasury under the DSU Plan, subject to certain adjustments described in the DSU Plan, shall not exceed 5,000,000 Common Shares provided, however, that the number of Common Shares reserved for issuance from treasury under the DSU Plan and pursuant to all other security-based compensation arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
- Non-executive members of the Board who are designated by the Board (or such other committee of the directors appointed to administer the DSU Plan) may participate in the DSU Plan (“**DSUP Participants**”). DSUP Participants may be granted DSUs, represented by a notional bookkeeping entry on the books of the Company with each DSU having a value equal, on any particular date, equal to the volume weighted average trading price of the Common Shares for the five (5) consecutive trading days prior to such date (“**Market Value**”).
- In addition, DSUP Participants may elect to receive DSUs in lieu of cash remuneration in respect of his or her annual retainer, committee retainer and meeting fees (or any portion thereof). The number of DSUs to be notionally credited to DSU Participants in lieu of cash remuneration shall be determined on a quarterly basis, as of the final day of any quarterly period, calculated as the quotient obtained when (i) the aggregate value of the cash remuneration that would have been paid to such DSU Participant, is divided by (ii) the Market Value as of the last day of such quarterly period.
- The grant of DSUs under the DSU Plan is subject to a number of restrictions:

- the aggregate number of Common Shares issuable at any time to Insiders (as defined in the DSU Plan) under the DSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - within any one-year period, the Company shall not issue to Insiders under the DSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - the aggregate number of Common Shares made available for issuance from treasury to all non-employee directors of the Company under the DSU Plan (alone or when combined with all of the other security-based compensation arrangements of the Company and its subsidiaries) shall not exceed 1% of the Company's total issued and outstanding Common Shares; and
  - the value of Common Shares associated with grants to any individual nonemployee director of the Company under the DSU Plan (alone or when combined with grants under all of the other security-based compensation arrangements of the Company and its subsidiaries) shall not exceed \$150,000 annually.
- The Board (or such other committee of the directors appointed to administer the DSU Plan) shall determine, at its sole discretion, the size of grants in respect of any DSUP Participant.
  - Whenever cash or other dividends are paid on Common Shares, additional DSUs will be automatically granted to each DSUP Participant who holds DSUs on the record date for such dividends. The number of such DSUs to be credited to such DSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such DSUP Participant if the DSUP Participant's DSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares.
  - DSUs shall be adjusted (at the Board's sole discretion) to reflect changes affecting the Company as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders or any other change affecting the Common Shares.
  - A DSUP Participant may select a date to receive settlement for his or her DSUs on any date following his or her termination, but no later than December 15 of the calendar year following such Termination (the "Settlement Date"), by completing and delivering a "Redemption Notice" to the Company.
  - On the Settlement Date, the DSUP Participant (or his or her succession) shall be entitled to receive, in accordance with the prior election of such DSUP Participant, either: (i) one (1) Common Share for each DSU credited to the DSUP Participant's account on the Settlement Date, (ii) a lump sum cash payment equal to the Market Value on the Settlement Date of one (1) Common Share for each DSU credited to the DSUP Participant's account on the Settlement Date, or (iii) any combination of the foregoing (subject to the discretion Board (or such other committee of directors appointed to administer the DSU Plan) to settle by alternative form provided for under the DSU Plan).
  - The Company will deduct or withhold from any payment or settlement in Common Shares, for the benefit of a DSUP Participant, any amount required in order to comply with the applicable provisions

of any federal or provincial law relating to the withholding of tax or the making of any other source deductions, including on the amount, if any, included in income of a DSUP Participant. The obligation of the Company to deliver payment or Common Shares in settlement of DSUs, for the benefit of a DSUP Participant, is conditional upon the DSUP Participant paying such amount as may be requested for the purpose of satisfying any liability in respect of such withholding.

- Upon a Change of Control (as defined in the DSU Plan), all outstanding DSUs will remain outstanding, unless the DSUP Participant's Board mandate is terminated as a result of the Change of Control.
- DSUP Participants have no claim or right to any Common Shares pursuant to the DSU Plan. DSUs shall not be considered Common Shares nor shall they entitle any DSUP Participant to exercise voting rights or any other rights attaching to the ownership or control of Common Shares.
- The Board (or such other committee of the directors appointed to administer the DSU Plan) may from time to time amend, suspend or terminate (and re-instate) the DSU Plan in whole or in part or amend the terms of DSUs credited in accordance with the DSU Plan, without approval of the Shareholders, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSX. If any such amendment, suspension or termination will materially or adversely affect the rights of a DSUP Participant with respect to DSUs credited to such DSUP Participant, then the written consent of such DSUP Participant to such amendment, suspension or termination shall be obtained. However, a DSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited DSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.
- The Board has broad discretion to amend the DSU Plan without seeking the approval of Shareholders, including, without limitation, amendments to the DSU Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty. However, the Company may not make the following amendments to the DSU Plan without the approval of Shareholders and the TSX: (i) an amendment to remove or exceed the insider participation limit prescribed by the TSX Company Manual; (ii) an amendment to increase the maximum number of Common Shares made available for issuance from treasury under the DSU Plan; (iii) an amendment to modify the definition of "Eligible Director" in the DSU Plan; or (iv) an amendment to the amending provision within the DSU Plan.
- If the Board (or such other committee of the directors appointed to administer the DSU Plan) terminates the DSU Plan, DSUs previously credited to DSUP Participants will remain outstanding and in effect and be settled in due course in accordance with the terms of the DSU Plan.
- Except as otherwise may be expressly provided for under the DSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a DSUP Participant under the DSU Plan is assignable or transferable.

### **Restricted share units**

The Company also established a restricted share plan under which restricted share units ("RSUs") are granted to eligible officers, employees and contractors of the Company. The restricted share units are considered equity-settled share-based payment transactions such that the participants will receive either common shares of the Company or payment of cash, or any combination of the foregoing, as determined by the Company in its sole discretion, following a redemption event. As such, the Company recognizes the

expense based on the quoted market price of the Company's common shares at the grant date and a corresponding increase or decrease in equity for the eventual redemption when the RSUs are issued. During the financial year ended December 31, 2021, the Company granted 225,294 RSUs to an officer of the Company for services performed in previous year. At the date of this Information Circular, 939,580 RSUs are outstanding.

The following is a summary of the principal terms of the RSU Plan:

- The maximum number of Common Shares made available for issuance from treasury under the RSU Plan, subject to certain adjustments described in the RSU Plan, shall not exceed 5,000,000 Common Shares provided, however, that the number of Common Shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
- The Board (or such other committee of the directors appointed to administer the RSU Plan), upon recommendation from the President and/or Chief Executive Officer, from time to time in their sole discretion designates the executives and key employees entitled to participate in the RSU Plan ("**RSUP Participants**"). RSUs are granted to RSUP Participants at the discretion of the RSUP Committee.
- The grant of RSUs under the RSU Plan is subject to a number of restrictions:
  - the aggregate number of Common Shares issuable at any time to Insiders (as defined in the RSU Plan) under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - within any one-year period, the Company shall not issue to Insiders under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - the aggregate number of Common Shares made available for issuance from treasury to all non-employee directors of the Company under the RSU Plan (alone or when combined with all of the other security-based compensation arrangements of the Company and its subsidiaries) shall not exceed 1% of the Company's total issued and outstanding Common Shares; and
  - the value of Common Shares associated with grants to any individual non-employee director of the Company under the RSU Plan (alone or when combined with grants under all of the other security-based compensation arrangements of the Company and its subsidiaries) shall not exceed \$150,000 annually.
- Whenever cash or other dividends are paid on Common Shares, additional RSUs will be automatically granted to each RSUP Participant who holds RSUs on the record date for such dividends. The number of such RSUs (rounded to the nearest whole RSU) to be credited to such RSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such RSUP Participant if his or her RSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value (as defined in the RSU Plan) of the Common Shares as of the date on which the dividend is paid on the Common Shares. RSUs granted to a RSUP Participant by reason of cash or other dividends paid on Common Shares

are subject to the same vesting conditions (time and performance, as applicable) as the RSUs to which they relate.

- Vesting and settlement provisions under the RSU Plan are as follows:
  - Subject to the discretion of the Board (or such other committee of the directors appointed to administer the RSU Plan), RSUs will vest in their entirety over three years (one-third on each of the first, second and third anniversary of the date a RSU is awarded).
  - The RSUs may vest according to time and/or performance vesting conditions. The RSUs that are subject to the time vesting condition shall be deemed to have been 100% satisfied if the RSUP Participant is employed by the Company and/or a subsidiary on the date specified in the RSU Award Agreement (as defined in the RSU Plan). The RSUs that are subject to the performance vesting condition(s) (as applicable) shall also vest on the date specified in the RSU Award Agreement, provided that such number of vested RSUs shall be multiplied by the performance percentage determined by the Board (or such other committee of the directors appointed to administer the RSU Plan), all in accordance with the RSU Award Agreement.
  - Within 10 days following the vesting date, the RSUP Participant (or his or her succession) shall be entitled to receive, in accordance with the prior election of such RSUP Participant, either: (i) one (1) Common Share for each RSU credited to the RSUP Participant's account on the settlement date, (ii) a lump sum cash payment equal to the Market Value on the settlement date of one (1) Common Share for each RSU credited to the RSUP Participant's account on the settlement date, or (iii) any combination of the foregoing (subject to the discretion Board (or such other committee of directors appointed to administer the RSU Plan) to settle by alternative form provided for under the RSU Plan.
  - Upon a Change of Control (as defined in the RSU Plan), all outstanding RSUs shall vest, irrespective of any performance vesting conditions.
- RSUs will be adjusted to reflect changes affecting the Common Shares as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off or other distribution (other than normal cash dividends) of the Company's assets to Shareholders or any other change affecting the Common Shares.
- If a RSUP Participant ceases to be an employee as a result of termination for cause, or as a result of a voluntary termination, all of the RSUP Participant's outstanding RSUs will be terminated.
- If a RSUP Participant ceases to be an employee of the Company or a subsidiary as a result of death, termination not for cause, retirement or long-term disability, the time vesting component of RSUs will be subject to the following considerations:
  - In the event the RSUP Participant is not entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be pro-rated based on the number of days actually worked from the date of grant of such RSUs until the date of death, termination not for cause, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such RSU grant.
  - In the event the RSUP Participant is entitled to a Benefits Extension Period, then the time vesting component of each RSU grant will be pro-rated based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or Long-Term Disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days in the original vesting schedule in relation to such grant.

- If a RSUP Participant ceases to be an employee of the Company or a subsidiary as a result of death, termination not for cause, retirement or Long-Term Disability, the performance vesting component of RSUs will be subject to the following considerations:
  - In the event the RSUP Participant is not entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be pro-rated based on the number of days actually worked from the date of grant until the date of death, termination not for cause, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such grant; the number of vested RSUs resulting from such pro-rated calculation will be multiplied by the performance percentage determined by the Board (or such other committee of directors appointed to administer the RSU Plan).
  - In the event the RSUP Participant is entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be pro-rated based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or long-term disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days of the original vesting schedule set forth in relation to such grant.
- A voluntary resignation will be considered as retirement if the RSUP Participant has reached normal retirement age under the Company's benefit plans or policies, unless the Board (or such other committee of directors appointed to administer the RSU Plan) decides otherwise at its sole discretion.
- The Board (or such other committee of the directors appointed to administer the RSU Plan) may from time to time amend, suspend or terminate (and re-instate) the RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with the RSU Plan, without approval of the Shareholders, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSX. If any such amendment, suspension or termination will materially or adversely affect the rights of a RSUP Participant with respect to RSUs credited to such RSUP Participant, then the written consent of such RSUP Participant to such amendment, suspension or termination shall be obtained. However, a RSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited RSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.
- The Board has broad discretion to amend the RSU Plan without seeking the approval of Shareholders, including, without limitation, to make the following amendments: (i) an amendment to the RSU Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty; (ii) an amendment to the vesting provisions of an RSU or the RSU Plan; (iii) an amendment to the termination provisions of an RSU or the RSU Plan which does not entail an extension beyond the original expiry date thereof. However, the Company may not make the following amendments to the RSU Plan without the approval of Shareholders and the TSX: (i) an amendment to remove or exceed the insider participation limit prescribed by the TSX Company Manual; (ii) an amendment to increase the maximum number of Common Shares made available for issuance from treasury under the RSU Plan; (iii) an amendment to extend the term of an RSU for the benefit of an Insider; or (iv) an amendment to the amending provision within the RSU Plan.

- If the Board (or such other committee of directors appointed to administer the RSU Plan) terminates the RSU Plan, RSUs previously credited to RSUP Participants will remain outstanding and in effect and be settled in due course in accordance with the terms of the RSU Plan.
- Except as otherwise may be expressly provided for under the RSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a RSUP Participant under the RSU Plan is assignable or transferable.

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

At any time during the Company's last completed financial year, no director, executive officer or employee or proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries is or has been indebted to the Company or any of its subsidiaries, or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

## **APPOINTMENT OF AUDITOR**

At the Meeting, shareholders will be asked to vote for the appointment of Kreston GTA LLP ("Kreston"), Chartered Professional Accountants, of Markham, Ontario, to serve as auditor of the Company for the ensuing year, and to authorize the directors to fix their remuneration. **Unless such authority is withheld, the persons named in the accompanying proxy intend to vote in favor of such appointment.**

Effective February 7, 2022, the Company accepted the resignation of Davidson & Company LLP ("Davidson"), Chartered Professional Accountants, as the auditor of the Company and appointed Kreston as the new auditor of the Company.

As required pursuant to NI 51-102, a copy of the complete reporting package, including the Company's Notice of Change of Auditor dated February 7, 2022 and letters of acknowledgement from each of Davidson and BDO, was filed on SEDAR and are attached to this Information Circular as Schedule "B". There have been no reportable disagreements between the Company and Kreston and no qualified opinion or denial of opinion by Davidson within the meaning of NI 51-102.

## **MANAGEMENT CONTRACTS**

Except as disclosed herein, no management functions of the Company are performed to any substantial degree by persons other than the directors and officers of the Company. Please see "Summary Compensation Table" and "Termination and Change of Control Benefits" above for a summary of the Company's management contracts.

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

Except as set out in this Information Circular, no person who has been a director or executive of the Company at any time since the beginning of the Company's last financial year nor any proposed nominees for election as director of the Company, nor any 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 or the appointment of auditors.

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

Other than as described below, no informed person of the Company or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, the Company's voting securities or who exercises control or direction over the Company's voting securities or a combination of both carrying more than 10 percent of the voting rights attached to all the Company's outstanding voting securities other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of the Company's securities, so long as the Company holds any of its securities.

## **OTHER MATTERS**

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

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Effective June 30, 2005, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") was adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. The corporate governance practices adopted by the Company are set out in the attached Schedule "A".

## **AUDIT COMMITTEE INFORMATION**

Information regarding the Company's Audit Committee, together with a copy of the Audit Committee's charter, is contained in the Company's Annual Information Form ("AIF") dated March 31, 2022, with respect to the financial year ended December 31, 2021. A copy of the AIF is available for review by the public under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Company's website at [www.candentecopper.com](http://www.candentecopper.com). The AIF may also be obtained free of charge by sending a written request to the attention of the Company's Secretary at Suite 801, 1112 West Pender Street, Vancouver, BC, Canada, V6E 2S1.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on the Company's Profile on SEDAR located at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 801, 1112 West Pender Street, Vancouver, BC, Canada, V6E 2S1, Telephone: 604-689-1957 or email: [info@candentecopper.com](mailto:info@candentecopper.com) to request copies of the Company's financial statements and management's discussion and analysis

(“**MD&A**”). Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year, which financial statements and MD&A are filed on SEDAR.

**APPROVAL OF DIRECTORS**

The contents and sending of this Information Circular, including the Notice of Meeting, have been approved and authorized by the Board of the Company.

**Dated May 20, 2022.**

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) “*Joanne Freeze*”  
President, Chief Executive Officer and Director



**SCHEDULE “A”**

**CORPORATE GOVERNANCE DISCLOSURE - CANDENTE COPPER CORP.**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the Company to disclose information about its corporate governance practices on an annual basis. This disclosure must be made against the corporate governance guidelines contained in National Policy 58-201 *Corporate Governance Guidelines* (the “**Guidelines**”).

The Company’s board of directors (the “**Board**”) has adopted certain corporate governance policies to reflect the Company’s commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F1 – *Corporate Governance Disclosure*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company’s approach to corporate governance issues.

**Board of Directors**

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

The Board is currently composed of seven persons. Applying the definition set out in NI 52-110, as at the date of this Information Circular, a majority of the Board is independent as five of the seven members of the Board are independent. The members who are independent are Giulio Bonifacio, Andres J. Milla Comitre, George Elliott, Luis Miguel Inchaustegui Zevallos and Sean I. Waller. Joanne C. Freeze is not independent by virtue of the fact that she holds the positions of President and CEO. Christine Nicolau is also a non-independent Director as she represents Fortescue Metals Group Ltd., an insider of the Company.

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

<b>Other reporting issuers of which the Company’s directors are also directors</b>	
<b>Name of Director</b>	<b>Names of Reporting Issuers</b>
Joanne C. Freeze	Xali Gold Corp.
Sean I. Waller	East Africa Metals Inc. and Xplore Resources Corp.
Giulio Bonifacio	Nevgold Corp. and Sabre Gold Mines Corp.
George Elliott	Urbana Corporation and Radar Capital Corp.
Andres Milla Comitre	N/A
Christine Nicolau	N/A

Luis Miguel Inchaustegui Zevallos	N/A
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The independent directors do not have regularly scheduled meetings in the absence of the non-independent directors. On occasions where it is considered advisable, the Company's independent directors will and do hold meetings at which non-independent directors and members of management are not in attendance. As all but two of the current directors are independent, the Board does not believe it is presently necessary to have any formal structure or procedures in place to ensure that the Board can function independently of management and is of the view that the current Board structure is sufficient to facilitate open and candid discussion among independent directors. The independent directors met one time in the absence of management during the period since the beginning of the Company's most recently completed financial year. It is the Company's policy to have in-camera sessions with only independent directors present as part of the agenda for all Board meetings.

The Board appointed Mr. Giulio Bonifacio, independent director, as the Non-Executive Chair of the Board on July 1, 2020. The primary role of the Chair is to chair all meetings of the Board and Shareholders meetings, to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chair's responsibilities include, without limitation, ensuring that the Board works together as a cohesive team with open communication and works together with the Company's other committees to ensure that a process is in place by which the effectiveness of the Board, its committees and its individual directors can be evaluated on a regular basis. The Chair also acts as the primary spokesperson for the Board, ensuring that management is aware of concerns of the Board, Shareholders, other stakeholders and the public, and, in addition, ensuring that management strategies, plans and performance are appropriately represented.

The table below sets out the attendance of the directors at the six (6) Board meetings held during the 2021 financial year, January 1 to December 31, 2021.

Director	Board Meetings
Joanne C. Freeze	6 out of 6
Sean I. Waller	6 out of 6
Giulio Bonifacio	6 out of 6
George Elliott	6 out of 6
Andres J. Milla Comitre	5 out of 6
Agustin Pichot <sup>(1)</sup>	1 out of 3
Christine Nicolau <sup>(2)</sup>	3 out of 3
Luis Miguel Inchaustegui Z. <sup>(3)</sup>	N/A

Notes:

- (1) Mr. Pichot was appointed as a Director representing Fortescue on August 21, 2020 and resigned effective May 18, 2021.
- (2) Ms. Nicolau was appointed as a Director representing Fortescue on May 18, 2021.
- (3) Mr. Inchaustegui was appointed as Independent Director on November 10, 2021.

## **Board Mandate**

The mandate of the Board is contained in the Company's Corporate Governance Policy and is as follows: "The mandate of the Board is to oversee the management of the business and affairs of the Company. The Board shall have responsibility for the stewardship of the Company and shall assume responsibility for the following matters:

- the adoption of a strategic planning process;
- the identification of the principal risks to the business of the Company and the implementation of systems to manage such risks;
- appointing, training and monitoring senior management and planning for succession of senior management;
- establishing a communications policy for the Company; and
- ensuring the integrity of the Company's internal control and management information systems."

## **Position Description for Chairman**

The Board has not adopted a formal written position description for Chairman of the Board. The current Non- Executive Chairman of the Board is Mr. Giulio Bonifacio. The Chairman of the Board works with the CEO to ensure that the Board functions effectively and meets its obligations and responsibilities. See "Board Committees" below for information with respect to the position descriptions for the Chair's of the Audit Committee, the Compensation Committee, the Strategy and Finance Committee, the ESG & Shared Value Committee and the Special Committee.

## **Position Description for CEO**

The Board does not have a written position description for the CEO, but considers the CEO to be primarily responsible for the day to day operations of the Company and for preparing the Company's strategic plans and budgets for approval by the Board. The CEO is ultimately responsible for the execution of the Company's strategic plan and for meeting the Company's budget. The general duties and responsibilities of the CEO are set out in the consulting agreement between the CEO and the Company, which were developed by the Company in consultation with the CEO at the time that agreement was initially entered into in May 1997 and modified most recently on March 1, 2018.

## **Orientation and Continuing Education**

The Company does not currently have a formal orientation or continuing education process in place. New directors are furnished with appropriate documentation relating to the Company's business activities and internal organization, and are encouraged to spend time with management and incumbent directors in order to familiarize themselves with the Company's business and operations, as well as the role of the Board, its committees and its directors. Both new and incumbent directors are also encouraged to communicate with management, auditors, technical consultants and legal counsel to keep themselves current with industry trends and developments and changes in legislation. Management regularly provides corporate updates at scheduled meetings of the Board and passes along updates regarding legal and regulatory changes received from its legal and other professional advisors when such information is relevant to the Board. Going forward, the Company is arranging for an annual educational session to be provided to the Board by the Company's legal counsel. The Company may also pay the reasonable costs of attendance by directors at continuing education courses and seminars with respect to corporate governance, directors' duties and obligations and similar matters upon request. The Company's directors are experienced corporate directors and five of the six serve as directors of other public companies where they receive various degrees of

additional formal and informal continuing education and are also kept apprised of issues relevant to publicly traded mineral exploration companies. Most of the Company's directors are also members of professional associations through which they also receive relevant continuing education. If the growth of the Company's operations and/or increased turnover of the Board warrants it, the Board would consider implementing further formal orientation and/or continuing education process.

### **Ethical Business Conduct**

The Company adopted a Code of Ethics which was approved on March 5, 2009. The Company's Code of Ethics affirms the Company's commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for those conducting business on its behalf. Most of the Company's directors are also members of professional associations which have disciplinary and practice review boards and processes. While the Company's business practices must be consistent with the business and social practices of the communities in which the Company operates, the Company believes that honesty and transparency is the essential standard of integrity in any locale of the Company's business. Thus, though local customs may vary, the Company's activities are to be based on honesty, integrity and respect. The Company's Code of Ethics is posted on the Company's profile on SEDAR and is posted on the Company's website [www.candentecopper.com](http://www.candentecopper.com).

The Company adopted a Whistleblower Policy on February 24, 2009, which allows its directors, officers and employees who feel that a violation of the Code of Ethics has occurred, and/or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violation or concerns on a confidential and anonymous basis. Such reporting can be made by email or telephone through a Compliance Hot Line, to lawyers independent of the Company, fluent in English and Spanish, and is available in both Peru and Canada to all directors, officers and employees. All complaints are to be forwarded to the Chair of the Audit Committee for investigation and corrective and disciplinary action, if appropriate. The Whistleblower Policy and the procedures it establishes assist the Board in monitoring compliance with the Code of Ethics.

The Company's Whistleblower Policy in both English and Spanish languages is available on the Company's website [www.candentecopper.com](http://www.candentecopper.com).

The Company has not filed any material change reports since the beginning of its most recently completed financial year that pertains to any departures from the Code of Ethics by any director or executive officer of the Company.

In addition to the provisions of the Code of Ethics, the directors and officers of the Company are bound by the provisions of the Company's Articles and the *Business Corporations Act* (British Columbia), which contain detailed provisions as to how any conflicts of interests are to be dealt with. In particular, any director who has a material interest in a particular transaction is required to disclose such interest to the Company and to abstain from voting with respect to the approval of such transaction.

In addition, the Board has also adopted a Corporate Governance Policy on May 11, 2005, and a Corporate Disclosure Policy on March 25, 2009. The Corporate Governance Policy establishes the mandate of the Board and sets out various matters with respect to the corporate governance of the Company, including requirements with respect to the independence of Board members, matters relating to Board composition and Board Committees, employee and insider trading guidelines and accounting services approval. The Corporate Disclosure Policy is applicable to all employees and is intended to ensure that communications to the public about the Company are timely, factual and accurate and are broadly disseminated in accordance

with applicable legal and regulatory requirements. Copies of the Corporate Governance Policy and Corporate Disclosure Policy are available on the Company's website at [www.candentecopper.com](http://www.candentecopper.com).

### **Majority Voting Policy**

On May 15, 2015, the Board adopted a "Majority Voting Policy" as required by the policies of the TSX. Pursuant to the Majority Voting Policy, each director of the Company must be elected by a majority (50%+1 vote) of the votes cast with respect to his or her election in an uncontested election of directors (an "Uncontested Election") (a contested election of directors is any election of directors where (i) the number of nominees exceeds the number of directors to be elected as set out in the management information circular and/or (ii) proxies are being solicited by or on behalf of any person or group other than management of the Company). The form of proxy for meetings of the shareholders of the Company at which directors are to be elected provide the option of voting in favour, or withholding from voting, for each individual nominee to the Board. In any Uncontested Election of directors at a meeting of shareholders of the Company at which a quorum has been confirmed, any nominee for director, duly elected in accordance with the requirements of the *Business Corporations Act* (British Columbia), who receives a greater number of votes withheld from his or her election than votes for his or her election, of the shares represented in person or by proxy at the meeting and voted on the election of directors, will promptly tender his or her resignation to the Company. In the event that any director does not tender his or her resignation in accordance with the Majority Voting Policy, he or she will not be re-nominated by the Board. Following receipt of a resignation submitted pursuant to the Majority Voting Policy, the Company's Compensation, Governance and Strategy Committee shall consider whether or not to accept the offer of resignation and shall recommend to the Board whether or not to accept it. With the exception of special circumstances that would warrant the continued service of the applicable director on the Board, the Compensation, Governance and Strategy Committee shall be expected to accept and recommend acceptance of the resignation by the Board. In considering whether or not to accept the resignation, the Board will consider factors that may be provided as guidance by the TSX and all factors deemed relevant by the Board including, without limitation, the stated reasons why shareholders withheld votes from the election of that nominee, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to the Company, and the Company's legal obligations under applicable laws. Promptly following the applicable meeting of the shareholders of the Company, the Board shall make its decision about whether or not to accept a director's offer of resignation pursuant to the Majority Voting Policy. In making its decision, the Board will consider such additional information and factors that the Board considers to be relevant. The Company must promptly issue a news release with the Board's decision, a copy of which must be provided to the TSX. If the Board determines not to accept a resignation, the news release must fully state the reasons for that decision. A director who tenders his or her resignation pursuant to the Majority Voting Policy shall not be permitted to participate in any meeting of the Board at which his or her resignation is to be considered. In the event that a sufficient number of the Board members did not receive a majority of the votes cast in the same election, such that the Board no longer has a quorum, then such directors who did not receive a majority of the votes cast shall not be permitted to vote in any Board meeting at which his or her resignation offer is considered, but he or she shall be counted for the purpose of determining whether the Board has a quorum. If a director's resignation is not accepted by the Board: (a) such director will continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal, as provided for in the Company's Articles, as they may be amended, restated and/or supplemented from time to time; or (b) the director shall otherwise serve for such shorter time and under such other conditions as determined by the Board, considering all of the relevant facts and circumstances. If a resignation is accepted in accordance with the Majority Voting Policy, the Board may in accordance with the provisions of the Company's Articles, as they may be amended, restated and/or supplemented from time to time, appoint a new director to fill any vacancy created by the resignation.

## **Board Committees**

At the date of this Circular, the Board has five main committees: the Audit Committee, the Compensation Committee, the Strategy and Finance Committee, the ESG & Shared Value Committee and the Special Committee. The committees and their memberships are described below.

### ***Audit Committee***

The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- a) oversee the process of selecting and appointing an auditor;
- b) oversee the conduct of the audit;
- c) identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- d) monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- e) ensure the independence of the Company's auditor in accordance with applicable standards and monitor the auditor's performance; and
- f) provide an avenue of communication between and amongst the Company's auditors, management and the Board.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the Company's auditors and anyone in the Company that it deems necessary. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties. During the period since the beginning of the Company's most recently completed financial year the Audit Committee met once in the absence of management. It is the Company's policy for the Audit Committee to have in-camera sessions with the Company's auditors during the meetings in which that auditors are involved.

As at the date of this Information Circular, the Audit Committee is composed of Andres J. Milla Comitre (Chair), George Elliott and Giulio Bonifacio all of whom were "financially literate" and "independent" within the meaning of sections 1.4, 1.5 and 1.6 of NI 52-110 and applicable exchange rules and regulations as of this date.

The Company has set out the written position description for the Chair of the Audit Committee as follows:

- a) to lead the Audit Committee in the performance of its duties and carrying out its responsibilities within the terms of reference established by the Board;
- b) to report to the Board on the outcome of the deliberations of the Audit Committee and periodically report to the Board on the activities of the Audit Committee; and
- c) to meet regularly and as required with the Chief Financial Officer of the Company and other members of management to review material issues and to ensure that the Audit Committee and the Board are provided in a timely manner with all information necessary to permit the Board to fulfill its statutory and other obligations.

The Company's AIF, which has been filed on the Company's profile on SEDAR, contains additional disclosure regarding the Audit Committee. Please refer to the section of the AIF entitled "Audit Committee" for further information.

### ***Compensation Committee***

The compensation and corporate governance mandate of the Compensation Committee is to discharge the Board's responsibilities relating to compensation of the Company's executive officers. Among other things, the Compensation Committee has overall responsibility for recommending levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the chief executive officer, senior officers and other key employees and for recommending compensation for directors.

The Compensation Committee performs any other duties or responsibilities delegated to the Compensation Committee by the Board from time to time. For further information on the duties and responsibilities of the Compensation Committee, see "Executive Compensation – Compensation Committee" in this Information Circular.

As of the date of this Information Circular, the Compensation Committee members are George Elliott (Chair), Andres J. Milla Comitre, and Giulio Bonifacio, all of whom are independent directors.

There is no written position description for the Chair of the Compensation Committee. To date, given the size of the Company and its stage of development, the Company does not believe that a formal written position description of the Chair of the Compensation Committee is required, and that good business practices and the common law provide guidance as to what is expected of the Chair of the Compensation Committee.

### ***Strategy and Finance Committee***

The purpose of the Strategy & Finance Committee (Committee) of Candente Copper Corp. (Company) is to assist the Board of Directors (Board) in fulfilling its oversight of the Company's strategic, financial and financing plans.

The Committee shall comprise a minimum of three Directors as determined by the Board, each of whom shall be independent directors as defined by the rules of the Toronto Stock Exchange and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. The quorum is one-third of the entire authorized number of members, but no fewer than two persons. The members of the Committee and the Committee Chair shall be recommended by the Nominating and Governance Committee, elected by the Board at the annual organizational meeting of the Board and shall serve until their successors shall be duly elected.

The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via telephone or video conference. The Committee will invite members of management, outside professionals, or others to attend meetings and provide pertinent information as necessary and at the sole discretion of the Committee. The Committee will meet in executive session attended by the Committee members or other Independent Directors at the invitation of the Committee Chairman. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared. The Committee will undergo an annual performance evaluation which may be conducted by the Committee itself or an outside party.

The Committee shall carry out the following responsibilities:

- A. Strategy & Finance  
Strategic Activity or Transactions

- a) Provide input and support to Management in the development of the Company's long-term strategic plan in advance of the Board's review and approval of the same;
- b) Monitor progress against strategic objectives, review key issues, options and external developments impacting the Company's strategy;
- c) Review and approve, or recommend for approval, consistent with the Board approved Delegation of Authority and Subsidiary Governance policies, any strategic activity or transaction that materially impacts the Company's financial goals and strategy; and
- d) Monitor, review, and evaluate the Company's growth and value enhancement opportunities, including acquisitions, sales, mergers and business development proposals.

#### Operating and Capital Plans

- a) Provide input and support to Management in the development of the Company's operating and capital plans in advance of the Board's review and approval of the same; and
- b) Review, recommend, provide input to and support Management in exploring new businesses, products and/or markets for non-utility activities.
- c) Review the process for development, approval and modification of the Company's plans.

#### Finance

- a) Oversee financial policies and objectives;
- b) Provide input and support to Management in the development of the Company's financing plan in advance of the Board's review and approval of the same;
- c) Review the Company's capital structure, capital adequacy and financial flexibility;
- d) Evaluate the appropriateness of the dividend policy and recommend the schedule and rate to the appropriate Board;
- e) Review and recommend to the Board the amounts, timing, types, and terms of public and private issuances, and repurchase programs;
- f) Review and recommend to the Board any special financing transactions, including in the event of an equity issuance serving as members of the Pricing Committee along with the Chairman of the Board and the CEO;
- g) Review all proposed material financing and liquidity initiatives; and
- h) Review significant rating agency communications and potential issues/concerns relative to the Company's debt ratings.
- i) Oversee Company insurance program.

#### Risk

- a) Review and recommend to the Board risk appetites and risk tolerances for the overall Company and each business unit.
- b) Review and recommend to the Board financial and financing risk programs and tolerances.
- c) Oversee, review, and evaluate strategic and financial trends and challenges and identify evolving risks.
- d) Review and approve counterparty credit and performance risk standards. Receive periodic compliance reports from Management.
- e) Oversee credit and financial metrics and limits development and deviations.

Perform other activities consistent with the Charter, the Corporate Bylaws and governing law and rules, as the Committee or Board deems necessary or appropriate.

#### B. Reporting Responsibilities

- a) Regularly report to the Board on Committee activities, issues, and related recommendations
- b) Review any other reports the Company issues that relate to Committee responsibilities

After initial approval of this Charter by the Board, the Committee shall review the Charter annually and recommend any proposed changes to the Board.

As of the date of this Information Circular, the Strategy and Finance Committee members are Sean Waller (Chair), Andres J. Milla Comitre, and Giulio Bonifacio, all of whom are independent directors.

### ***ESG & Shared Value Committee***

The purpose of the Environment, Sustainability and Governance Committee (the “Committee”) is to support Candente Copper Corp. (the “Company”) in fulfilling and superseding its responsibilities in respect of environment, social, governance (“ESG”) and Shared Value matters.

The Company recognizes it that it requires responsible stewardship in order to minimize its environmental impact, create and maintain a strong social license to operate and follow ethical business practices. The Company’s focus on ESG and Shared Value matters is considered fundamental to the business and is intended to benefit all stakeholders including but not limited to shareholders, host communities and countries, employees and suppliers. that the

The Committee shall oversee and advise the Board of Directors (the “Board”) and the Company’s management team (“Management”) in relation to the development and implementation of the Company’s ESG initiatives.

The Committee shall be comprised of a minimum of three directors.

The chairman of the Committee shall be nominated by the Board from time to time. A quorum for any meeting shall be a majority of the directors comprising the Committee.

Nominees for the Committee shall be recommended by the Board. The invitation to join the Committee shall be extended by the Board itself, or the chairman of the Board. Members of the Committee may be removed or replaced by the Board.

Any Committee member may resign at any time by providing notice in writing or by electronic transmission to the Company’s Secretary. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

The Committee aims to meet a minimum of four times annually. The chairman of the Committee may invite members of management and advisors to attend Committee meetings. Minutes shall be kept of each Committee meeting. The Committee shall meet at such other times as necessary or appropriate to fulfill its duties and responsibilities.

The Committee shall have unrestricted access to the Company’s personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.

The Committee has the right to engage experts or advisors, including independent legal counsel at the expense of the Company, and to set and pay the compensation of such outside experts or advisors.

The Committee shall report its activities to the Board by distributing minutes of its meetings and, as appropriate, by oral or written report to the Board.

The Committee shall:

- (a) advise Management in connection with the development and implementation of ESG and Social strategies to preserve and enhance the Social License to Operate, the long-term shareholder value and to promote stakeholder interests;
- (b) establish with Management ESG targets to help the Company implement its ESG and Social strategies, evaluate the Company's progress against such targets; and bring any material deficiencies to the attention of the Board in a timely manner;
- (c) consider and advise Management of emerging ESG and Social issues that may affect the business, performance or reputation of the Company and make recommendations, as appropriate, on how Management can address such issues;
- (d) on an annual basis review the Company's policies, processes and systems as they pertain to ESG and Social matters and, where appropriate, make recommendations to Management regarding updates that may be required or prudent to ensure that such policies, processes and systems are consistent with industry best practices and the Company's values;
- (e) review on an annual basis the Company's sustainability report having regard to all reporting frameworks adopted by the Company;
- (f) review environmental incident reports, the results of investigations into material events, findings from environmental audits and the action plans proposed pursuant to the findings;
- (g) review the Company's performance on community relationships and Sustainable Development, along with any proposed recommendations or actions based on such performance;
- (h) review and report to the Board on the sufficiency of the financial and human resources allocated to ensuring the proper development, training, education, management and advancement of the Company's ESG and Social strategies; and
- (i) any additional matters delegated to the Committee by the Board.

This Charter may be amended or modified by the Board.

As of the date of this Information Circular, the ESG & Shared Value Committee members are Luis Miguel Inchaustegui (Chair), George Elliott and Joanne Freeze.

### ***Special Committee***

The mandate of the Special Committee to assist the Board and management with the review of the Financing Alternatives.

As of the date of this Information Circular, the Special Committee members are Giulio Bonifacio (Chair), Andres J. Milla Comitre, George Elliott and Sean Waller, all of whom are independent directors.

The Special Committee is authorized and directed to take such acts and do such things as the members of the Special Committee believe, in the exercise of their business judgment, are reasonably necessary or appropriate in connection with the review and negotiation of the Financing Alternatives, including to:

- (a) update the Board from time to time concerning the work of the Special Committee and, at the request of the Board, to prepare and deliver such reports, recommendations and analyses with respect to the Financing Alternatives as the Board may require;
- (b) at the discretion of the Special Committee, directly undertake, or direct management with respect to, negotiations of the terms and conditions of the Financing Alternatives;
- (c) consider and evaluate potential alternative financing transactions to the Financing Alternatives, including other equity financing transactions;
- (d) prepare and make recommendations to the Board with respect to the Financing Alternatives and other potential financing transactions, including, without limitation, recommendations as to which of the Financing Alternatives or other potential financing transactions is in the best interests of the Company and its stakeholders, having regard to all the relevant circumstances;
- (e) coordinate its efforts and discharge its mandate in conjunction with management as it deems advisable or necessary;
- (f) retain, at the Company's expense, such external financial, legal and other advisors as the members of the Special Committee may consider necessary or advisable from time to time to perform their duties hereunder and determine the mandate and the remuneration of those advisors;
- (g) authorize and approve the form of such documents and agreements as may be necessary for the proper performance by the Special Committee of its responsibilities including, without limitation, the terms of any compensation or engagement agreements with the professional advisors to the Special Committee and to execute or direct management of the Company with respect to the execution and delivery of such documents and agreements; and
- (h) perform such other duties and responsibilities as may be assigned by the Board to the Special Committee from time to time; provided that any final determination with respect to the Financing Alternatives or any other potential financing transaction shall be subject to the approval of the Board.

The Special Committee is authorized to authorize and direct management and the other directors of the Company as to actions on the part of the Company (such as instructions to the professional advisors of the Company) that are made necessary or advisable by reason of the fact that the Financing Alternatives are under consideration, or are necessary or advisable for the proper performance by the Special Committee of its responsibilities, including with respect to providing access to such information, reports, documents or other information as the Special Committee and, where appropriate, its advisors shall reasonably request in order to fulfill their mandate;

In order to assist the Special Committee in carrying out its mandate, management of the Company is hereby directed to bring to the attention of the Special Committee any facts or issues concerning the business or affairs of the Company that would affect or be affected by the Special Committee's work.

The Special Committee shall establish its own procedures with respect to its operations including, without limitation, the timing and place of meetings, participation in those meetings, and such other procedures as it considers necessary or desirable, it being understood that a quorum of the Special Committee shall be at least three members.

The Special Committee will keep written minutes of meetings of the Special Committee and its deliberations, and all minutes will be filed in the minute books of the Company.

The Board, in its discretion, may determine to pay the members of the Special Committee a fee in respect of their work performed on the Special Committee, on an industry standard basis, payable at in cash or Deferred Share Units, based on the time commitments required of the Special Committee members in

discharging their mandate. In addition, each member of the Special Committee shall be reimbursed for his out-of-pocket expenses incurred as a result of his membership in the Special Committee.

The Special Committee shall continue in existence until such time as it is dissolved by the Board.

### **Nomination of Directors**

The Board does not have a nominating committee composed of independent directors. The CEO submits to the Board candidates to fill vacancies on the Board and the full Board then considers the proposed candidates. As the Board is comprised of a majority of independent directors, the Board is of the view that this is sufficient to ensure objectivity in the nomination process.

### **Assessment**

While there is no formal process for assessing the Board or its committees on an ongoing basis, the directors are free to discuss specific situations from time to time among themselves and/or with the CEO and President and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Given the current structure and size of the Board, the Board believes that it is not necessary to adopt a more formal assessment process at this time and that the present system is sufficient.

### **Term Limits and Diversity**

In the fall of 2014 the Canadian Securities Administrators (“CSA”) introduced “comply or explain” policies requiring companies to either adopt or explain why they have not adopted (a) policies with respect to term limits for directors; and (b) policies and targets designed to increase participation by women in board matters and in executive positions.

The Company has not adopted term limits for the directors or other mechanisms of board renewal. However, since 2010, the Company has had six directors cease and added ten new directors and the Company believes that it acts within the spirit and intention of the CSA policies in this regard.

The Company has not developed written policies and targets designed to increase participation by women in board matters and in executive positions. Management and the Board have historically recognized the valuable contributions made to board deliberations and management by people of different gender, experience and background. The Board is mindful of the benefit of diversity in Candente Copper’s leadership positions and the need to maximize the effectiveness of the Board and management in decision making abilities. Accordingly, in searches for new directors or officers, the Board considers the level of female representation and diversity within its leadership ranks and this is just one of several factors used in its search process.

The Company currently has two female member on its board of seven (28.57%), and one female officer, the President, CEO and Corporate Secretary, among Candente Copper’s senior management team of two (50%).

**It is the Company’s intention to formalize internal policies following the CSA guidelines.**



**SCHEDULE "B"**

**CHANGE OF AUDITOR REPORTING PACKAGE**



**CANDENTE  
COPPER CORP**  
TSX:DNT BVL:DNT

801- 1112 West Pender Street  
Vancouver BC, Canada, V6E 2S1  
Tel: 604.689.1957  
Email: info@candentecopper.com  
www.candentecopper.com

February 7, 2022

**Notice of Change of Auditors**  
Pursuant to National Instrument 51-102

**TO: Davidson & Company LLP  
Kreston GTA LLP**

**AND TO: BC Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission**

Dear Sirs/Mesdames:

**RE: Notice Regarding Change of Auditor Pursuant to National Instrument 51-102**

Notice is hereby given, pursuant to section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations (“NI 51-102”), of a change of auditor of Candente Copper Corp. (the “Company”).

- 1) The Audit Committee has recommended and the Board of Directors has approved, subject to the applicable regulations, not reappointing Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, Canada (“former Auditors”) and the appointment of Kreston GTA LLP (the “New Auditors”) as auditors of the Company to provide audit services to the Company for the year ending December 31, 2021 and to hold office as auditors of the Corporation until the next annual meeting of shareholders of the Company.
- 2) There were no reservations contained in the Former Auditors’ independent auditor’s reports on the financial statements of the Company for the three most recently completed financial years of the Company.
- 3) In the opinion of the Audit Committee and the Board of Directors of the Company, there are no reportable events to declare as defined in subparagraph 4.11 (1) of NI-51-102.

**CANDENTE COPPER CORP.**

Per: “Mark Lotz” (Signed)

Mark Lotz  
Chief Financial Officer



February 7, 2022

**British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission**

Dear Sirs/Mesdames:

**Re: Candente Copper Corp. (the "Company")  
Change of Auditor Pursuant to National Instrument 51-102 (Part 4.11)**

As required by National Instrument 51-102 (Part 4.11), we have read the statements by the Company in the Notice of Change of Auditor (the "Notice") dated February 7, 2022 and confirm our agreement with the information contained in the Notice pertaining to our firm.

Yours very truly,

*Kreston GTA LLP*

Kreston GTA LLP  
Chartered Professional Accountants, Licensed Public Accountants  
Markham, Ontario

cc: *Candente Copper Corp. – Board of Directors*

DAVIDSON & COMPANY LLP 

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 Chartered Professional Accountants 

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February 8, 2022

**British Columbia Securities Commission**  
PO Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC  
V7Y 1L2

**Ontario Securities Commission**  
20 Queen Street West, 19<sup>th</sup> Floor, Box 55  
Toronto Ontario  
M5H 3S8

**Toronto Stock Exchange**  
The Exchange Tower  
130 King Street West, 3<sup>rd</sup> Floor  
Toronto, Ontario  
M5X 1J2

**Alberta Securities Commission**  
600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, AB  
T2P 0R4

Dear Sirs / Mesdames

**Re: Candente Copper Corp. (the "Company")**  
**Notice Pursuant to NI 51 – 102 of Change of Auditor**

In accordance with National Instrument 51-102, we have read the Company's Change of Auditor Notice dated February 7, 2022 and agree with the information contained therein, based upon our knowledge of the information at this date.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours very truly,



**DAVIDSON & COMPANY LLP**  
Chartered Professional Accountants

**cc: Toronto Stock Exchange**

