

**POWER NICKEL INC.**  
202 – 82 Richmond Street East  
Toronto, Ontario  
M5C 1P1

**INFORMATION CIRCULAR**  
as of May 26, 2022 (unless otherwise noted)

## **MANAGEMENT SOLICITATION OF PROXIES**

This Information Circular is furnished to you in connection with the solicitation of proxies by management of Power Nickel Inc. (“we”, “us” or the “Company”) for use at the Annual General Meeting (the “Meeting”) of shareholders of the Company to be held on Thursday June 30, 2022 at 11:00 a.m. at 202 – 82 Richmond Street East Toronto, Ontario M5C 1P1 and at any adjournment of the Meeting. The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

*The Company requests that shareholders who wish to participate in the Meeting, contact the Company by June 28, 2022 at [ted@powernickel.com](mailto:ted@powernickel.com) to be included in the telephone conference for the Meeting. the Company will arrange for telephone participation for all shareholders who have requested it by June 28, 2022. However, the Company strongly recommends that shareholders vote by Proxy or VIF in advance to ease the voting tabulation at the Meeting by TSX Trust.*

## **APPOINTMENT OF PROXY HOLDER**

The persons named as **proxy holders** in the enclosed form of proxy are the Company’s directors or officers. **As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

## **VOTING BY PROXY**

The persons named in the accompanying form of proxy will vote or withhold from voting the shares represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your shares will be voted in favour of all matters.

The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Information Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgement.

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an "X" in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the proxy holders nominated by management will vote the shares represented by your proxy in accordance with their judgment.**

### RETURN OF PROXY

You must deliver the completed form of proxy to the office of the Company's registrar and transfer agent, TSX Trust Company, P.O. Box 721, Agincourt, ON M1S 0A1, via fax at 416-368-2502 or 1-866-781-3111 (toll free in Canada and United States) or via scan or e-mail to proxyvote@tmx.com or to the Company's head office at the address listed on the cover page of this Information Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

### ADVICE TO NON-REGISTERED SHAREHOLDERS

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

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "NOBOs". Those non-registered Holders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "OBOs".

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs. **The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO's Nominee assumes the costs of delivery.**

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

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

## **REVOCACTION OF PROXY**

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) signing a proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of the Company's registrar and transfer agent or to the Company's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the adoption of the Company's stock option plan and the approval of the creation of a new control person, approval of which will be sought at the Meeting. Directors and executive officers of the Company may participate in the Company's stock option plan, and accordingly have an interest in its approval.

## **VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

The Company is authorized to issue an unlimited number of common shares without par value, of which 91,156,898 common shares are issued and outstanding as of May 26, 2022. There is only one class of voting shares. The Company is also authorized to issue non-voting Class A preference shares with a par value of \$4.00 and Class B preference shares with a par value of \$20.00. There are no Class A or Class B preference shares issued and outstanding.

Persons who are registered shareholders at the close of business on May 26, 2022 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share. In order to approve a motion

proposed at the Meeting, a majority of more than 50% of the votes cast will be required to pass an ordinary resolution, and a majority of at least two thirds of the votes cast will be required to pass a special resolution.

To the knowledge of our directors and executive officers, other than as set out below, there are no persons or companies that beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of all voting rights as of May 26, 2022.

## ELECTION OF DIRECTORS

Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. The shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at four (4) for the next year, subject to any increases permitted by the Company's Articles.

The Board adopted an advance notice policy (the "**Advance Notice Policy**") on October 4, 2018 with effect as of such date. The Advance Notice Policy provides for advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) ("BCBCA") or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA.

Among other things, the Advance Notice Policy fixes a deadline by which holders of Common Shares must submit director nominations to the Corporation prior to any annual general or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form. The Corporation has not received notice of a nomination in compliance with the Advance Notice Policy and, as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Corporation will be disregarded at the Meeting.

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below. 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 shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as director. The information concerning the proposed nominees has been furnished by each of them:

<b>Name, Province or State and Country of Residence and Present Office Held</b>	<b>Periods served as Director</b>	<b>Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised<sup>(1)</sup></b>	<b>Principal Occupation and, if Not Previously Elected, Principal Occupation during the PTX Five Years</b>
<b>Terry Lynch</b> Nassau, The Bahamas CEO and Director	June 20, 2012	2,181,750	Business Executive

Name, Province or State and Country of Residence and Present Office Held	Periods served as Director	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation and, if Not Previously Elected, Principal Occupation during the PTX Five Years
<b>Peter Kent<sup>(2)</sup></b> Oakville, Ontario Chairman and Director	October 25, 2012	692,500	Retired Lawyer
<b>Greg McKenzie<sup>(2)</sup></b> Toronto, Ontario Director	November 10, 2016	125,000	Business Executive, Lawyer
<b>Les Mallard<sup>(2)</sup></b> Hammonds Plains, Nova Scotia Director	October 17, 2017	1,725,023	Business Executive

Notes:

- (1) As at May 26, 2022. Includes common shares beneficially owned or indirectly, over which control or discretion is exercised, as at the date of this Information Circular. This information was obtained directly from the nominees.
- (2) Current member of the Company's Audit Committee.

No proposed director of the Company is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above, "order" means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

No proposed director of the Company has, within the past 10 years, become 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 the assets of the proposed director.

To the knowledge of the Company, no nominee for director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

No proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become 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.

## EXECUTIVE COMPENSATION

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

The following persons are considered the “**Named Executive Officers**” or “**NEOs**” for the purposes of this disclosure:

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) each of the Company’s most highly compensated executive officers, 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(5) of Form 51-102F6V, for the December 31, 2021 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2021.

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

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiaries of the Company to each Named Executive Office and director of the Company during the Company’s two most recent financial years ended December 31, 2020 and December 31, 2021.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites <sup>(1)</sup> (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Terry Lynch</b> CEO and Director <sup>(2)</sup>	2021	225,000	nil	25,000	nil	nil	250,000
	2020	210,000	nil	25,000	nil	nil	235,000
<b>Robert Suttie</b> CFO <sup>(3)</sup>	2021	48,429	nil	nil	nil	nil	48,429
	2020	52,598	nil	nil	nil	nil	52,598
<b>Peter Kent</b> Chairman and Director	2021	Nil	nil	29,500	nil	nil	29,500
	2020	Nil	nil	29,500	nil	nil	29,500
<b>Greg McKenzie</b> Director	2021	Nil	nil	25,000	nil	nil	25,000
	2020	Nil	nil	25,000	nil	nil	25,000
<b>Les Mallard</b> Director	2021	Nil	nil	25,000	nil	nil	25,000
	2020	Nil	nil	25,000	nil	nil	25,000

Notes:

(1) The value of perquisites and benefits, if any, was less than \$15,000.

(2) This amount, plus applicable HST, was for executive services provided to the Company.

- (3) This amount, plus applicable HST, was paid to Marrelli Support Services Inc. for accounting and CFO services provided to the Company during the applicable financial year.

### Stock Options and Other Compensation Securities

Compensation securities were issued to Named Executive Officers or directors during the financial years ended December 31, 2021 and 2020. The following table discloses all compensation securities issued and remaining outstanding as of the end of financial year ended December 31, 2021 to each Named Executive Officer and director for services provided or to be provided, directly or indirectly, to the Company or its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Terry Lynch</b> CEO and Director	Stock option	1,200,000	October 9, 2020	0.14	0.13	0.27	October 9, 2025
	Stock option	1,600,000	February 25, 2021	0.31	0.31	0.13	February 25, 2026
<b>Peter Kent</b> Chairman and Director	Stock option	800,000	October 9, 2020	0.14	0.13	0.27	October 9, 2025
	Stock option	1,050,000	February 25, 2021	0.31	0.31	0.13	February 25, 2026
<b>Greg McKenzie</b> Director	Stock option	400,000	October 9, 2020	0.14	0.13	0.27	October 9, 2025
	Stock option	600,000	February 25, 2021	0.31	0.31	0.13	February 25, 2026
<b>Les Mallard</b> Director	Stock option	400,000	October 9, 2020	0.14	0.13	0.27	October 9, 2025
	Stock option	600,000	February 25, 2021	0.31	0.31	0.13	February 25, 2026
<b>Rob Suttie</b> CFO	Stock option	250,000	October 9, 2020	0.14	0.13	0.27	October 9, 2025
	Stock option	600,000	February 25, 2021	0.31	0.31	0.13	February 25, 2026

### Exercise of Compensation Securities by Directors and NEOs

During the financial year ending December 31, 2021, the Named Executive Officers or directors exercised stock options as set out in the table below.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
<b>Terry Lynch</b> CEO and Director	Stock option	1,200,000	0.14	February 24, 2021	0.31	0.17	168,000
<b>Peter Kent</b> Chairman and Director	Stock option	800,000	0.14	February 24, 2021	0.31	0.17	112,000
<b>Greg McKenzie</b> Director	Stock option	400,000	0.14	February 24, 2021	0.31	0.17	56,000
<b>Les Mallard</b> Director	Stock option	400,000	0.14	February 24, 2021	0.31	0.17	56,000
<b>Rob Suttie</b> CFO	Stock option	250,000	0.14	February 24, 2021	0.31	0.17	35,000

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

### **Employment, Consulting and Management agreements**

None of the management members has a consulting agreement in place, other than Terry Lynch, through TML Bahamas Holdings Ltd. TML Bahamas Holdings Ltd. has a consulting agreement in place to provide services to the Company until December 31, 2022. The agreement provides for annual compensation of \$225,000.

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

#### *Director compensation*

The Company currently pays directors who are not employees or officers of the Company for attending directors meetings and for serving on committees. The Company's general arrangement is \$25,000 per director for the most recently completed financial year, with Peter Kent receiving \$29,500 (for serving as Chair).

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

The Company granted stock options to the Directors during the most recently completed financial year as set out in the table above.

#### *Named Executive Officer Compensation*

The Board is responsible for ensuring that the Company's compensation strategy is aligned with performance and shareholder interests. The main objectives the Company hopes to achieve through its compensation policies are to attract and retain executives critical to the Company's

success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive compensation is comprised of short-term fee compensation and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value.

During the financial year ended December 31, 2021, Mr. Lynch's compensation as CEO consisted of \$225,000 and CFO compensation consisted of \$48,429. This amount was paid to Marrelli Support Services Inc. and Mr. Suttie, the CFO of the Company, was compensated by Marrelli.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has an incentive stock option plan under which stock options are granted. Stock options have been determined by the Company's directors and are only granted in compliance with applicable laws and regulatory policy. The policies of the Exchange limit the granting of stock options to employees, officers, directors and consultants of the Company and provide limits on the length of term, number and exercise price of such options. The Exchange also requires annual approval of stock option plans by shareholders.

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup>
(a)	(b)	(c)	
Equity compensation plans <b>approved</b> by securityholders	6,765,000	0.29	1,713,577
Equity compensation plans <b>not approved</b> by securityholders	N/A	N/A	N/A
Total	6,765,000	0.29	1,713,577

Notes:

(1) Assuming outstanding options are fully vested.

(2) Excluding the number of shares issuable on exercise of the outstanding options shown in the second column.

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

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

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

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of our subsidiaries, other than as disclosed under the heading "Particulars of Matters to be Acted On".

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, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company 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 its securities, so long as it holds any of its securities.

## **AUDIT COMMITTEE**

Under this heading, the Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* ("NI 52-110").

### **Audit Committee Charter**

The Audit Committee Charter was adopted by the Company's Audit Committee and the Board of Directors. The full text of the Company's Audit Committee Charter was attached as Schedule "A" to the Company's information circular dated September 15, 2016 for a previous annual general meeting of shareholders, and can be viewed under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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

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

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Les Mallard	Independent	Yes <sup>(1)</sup>
Greg McKenzie	Independent	Yes <sup>(1)</sup>
Peter Kent	Independent	Yes <sup>(1)</sup>

Notes:

(1) As that term is defined in NI 52-110.

### Relevant Education and Experience of Audit Committee Members

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting, are as follows:

**Les Mallard** – Les is a graduate from The University of Prince Edward Island with a BA in Economics. He has spent 30+ years in the Canadian Produce Industry employed in various capacities with Chiquita Canada and Chiquita Brands North America. Retiring from Chiquita in 2017, he has started Mallard Produce Solutions, a produce consulting company focused on providing North American and Latin American clients business solutions to expand their market potential. Mr. Mallard is on the Board of Directors for the Canadian Produce Marketing Association.

**Greg McKenzie** – Greg McKenzie is a senior investment banker with more than 20 years of experience in financing, M&A, financial advisory, valuation, and strategic advice to mid-cap companies. Mr. McKenzie has been involved in transactions valued in excess of \$18 billion. Mr. McKenzie has held positions with Morgan Stanley, CIBC World Markets and Haywood Securities. Mr. McKenzie worked on Wall Street and also practiced law with a leading Canadian securities and M&A law firm.

**Peter Kent** - Formerly with the TecSyn Group of Companies where he was Vice President general Counsel and Corporate Secretary. Peter brings over 25 years of business experience regarding complex business and legal affairs. In addition to his time at Tecsyn, Peter also was a corporate commercial lawyer at Bassel Sullivan a Toronto based boutique law firm.

### ***Audit Committee Oversight***

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### ***Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally***

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit), the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside of Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee must pre-approve all non-audit services to be provided to the Company by the Company's external auditor. Aside from the above, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

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

The following table discloses the fees billed to the Company by its external auditor during the last two financial years:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2021	\$35,000	nil	\$12,000	nil
December 31, 2020	\$35,000	nil	\$2,500	nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and if applicable, quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. These fees relate to preparing and filing the Company's Canadian tax return and related schedules.
- (4) "All Other Fees" includes all other non-audit services".

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

Since the Company is a venture issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in 'Composition of the Audit Committee' above) and Part 5 Reporting Obligations of NI 52-110

(which requires certain prescribed disclosure about the Audit Committee in this Information Circular).

## **APPOINTMENT OF AUDITOR**

Our Audit Committee recommends the re-appointment of UHY McGovern Hurley LLP, Chartered Professional Accountants, of Toronto, Ontario, as our auditor to hold office until the Company's next annual general meeting. UHY McGovern Hurley LLP, Chartered Professional Accountants was first appointed as auditor in March 2015. The Audit Committee proposes that the Board of Directors be authorized to fix the remuneration to be paid to the auditor.

**Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of UHY McGovern Hurley LLP, Chartered Professional Accountants, of Toronto, Ontario, as the Company's auditor.**

## **CORPORATE GOVERNANCE**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Company to annually disclose certain information regarding its corporate governance practices. Under this heading, the Company is providing the disclosure required by Form 58-101F2.

### **Board of Directors**

The mandate of the Board, as prescribed by the BCBCA, is to manage or supervise management of our business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of our affairs directly.

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the

Company is authorized to act without board approval, on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

The Board considers that the following directors are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than interests and relationships arising from shareholding: Peter Kent, Les Mallard and Greg McKenzie. The Board considers that Terry Lynch (CEO) is not independent because he is a member of management.

### **Directorships**

Certain of the directors are presently a director of one or more other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction, as follows:

<b>Name of Director</b>	<b>Other reporting issuer (or equivalent in a foreign jurisdiction)</b>
Terry Lynch	Crossover Acquisitions Inc. (TSXV: CRSS)
Peter Kent	N/A
Greg McKenzie	Golden Tag Resources (TSXV: GOG) ZEB Nickel Corp. (TSXV: ZBNI) Greenhawk Resources Inc. (CSE: GRHK)
Les Mallard	N/A

### **Orientation and Continuing Education**

The Board is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. The Company provides continuing education for its directors as the need arises and encourages open discussion at all meetings, which format encourages learning by the directors.

### **Ethical Business Conduct**

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these, combined with the conflict of interest provisions of the *BCBCA*, as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee. The board is responsible for recruiting new members to the Board and planning for the succession of Board members.

### **Compensation**

The Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. Please see above under "Executive Compensation for further information.

### **Other Board Committees**

The Board has no other committees other than the Audit Committee.

### **Assessments**

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results in prevailing industry and market climate conditions with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## **MANAGEMENT CONTRACTS**

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

The Company has a contract with TML Bahamas Holdings Ltd. to provide CEO services (via Terry Lynch) and a contract with Marrelli Support Services Inc. to provide accounting and CFO services.

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

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

Exchange policy requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Company at the time of grant (called a “rolling plan”), must be approved and ratified by shareholders on an annual basis in accordance with Policy 4.4 of the Exchange (“**Policy 4.4**”). The Company established its existing Stock Option Plan (the “**Plan**”) October 25, 2012 and last received shareholder approval for its Stock Option Plan on December 21, 2020. Accordingly, at the Meeting, shareholders will be asked to ratify and approve the Plan. Under the Exchange’s updated Policy 4.4 – Securities Based Compensation, the Plan is considered a “rolling up to 10%” plan and the Company has made suitable changes to the Plan so that it meets the updated requirements of Policy 4.4. The Company is therefore seeking shareholder approval of the Company’s Plan in accordance with and subject to the rules and policies of the Exchange.

The purpose of the Plan is to provide incentives to employees, directors, officers, and consultants who provide services to the Company and to influence the cash compensation the Company would otherwise have to pay.

The Plan complies with the current policies of the Exchange. Under the Plan, a maximum of 10% of the issued and outstanding common shares of the Company are proposed to be reserved at any time for issuance on the exercise of stock options. Since the number of common shares reserved for issuance under the Plan increases with the issue of additional common shares of the Company, the Plan is considered to be a “Rolling up to 10% Plan”.

### **Terms of the Plan**

Shareholders may also obtain copies of the Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of Plan.

The Plan provides that the Company’s Board of Directors may from time to time, in its discretion, and in accordance with the Exchange’s requirements, grant to directors, officers and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance does not exceed 10% of the common shares of the Company at the time of the stock option grant. Individual stock option grants must comply with the terms of the Plan and the policies of the Exchange as they relate to the minimum exercise price, hold periods, vesting and filing requirements.

The Plan provides that:

- (a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder’s death, if exercised within one year of the optionee’s death;
- (b) options may be exercisable for a maximum of 10 years from the date of grant;
- (c) options to acquire no more than 5% of the issued common shares of the Company may be granted to any one individual in any 12 month period;
- (d) options to acquire no more than 2% of the issued common shares of the Company may be granted to any one consultant in any 12 month period;

- (e) options to acquire no more than an aggregate of 2% of the issued common shares of the Company may be granted to persons retained to conduct Investor Relations Activities (as defined in Exchange Policy 1.1), in any 12 month period;
- (f) disinterested shareholder approval must be obtained for any reduction in the exercise price if the optionee is an insider of the Company at the time of the proposed amendment;
- (g) for stock options granted to Employees, Consultants or Management Company Employees (as defined in Exchange Policy 4.4), the Company represents that the optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be; and
- (h) for stock options granted to any optionee who is a Director, Employee, Consultant or Management Company Employee, the option must expire within a reasonable period following the date the option holder ceases to be a Director, Employee, Consultant or Management Company Employee.

The Company may grant options provided that the number of common shares reserved for issuance does not exceed 10% of the common shares of the Company at the time of the stock option grant.

Shareholders will be asked to pass the following, ordinary resolution, approving the Plan:

**“IT IS RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. The Company adopt and confirm its existing stock option plan (the “**Plan**”), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company;
2. The Company is authorized to grant stock options under the Plan, in accordance with its terms;
3. The Company is authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the Exchange to obtain Exchange acceptance of the Plan; and
3. Authority is granted to the Board of Directors of the Company to make such amendments to the Plan as are required by the Exchange to obtain Exchange acceptance of the Plan.”

**Recommendation of the Company’s Directors**

The directors have reviewed and considered all facts respecting the approval of the Plan. The Company’s directors unanimously recommend that the shareholders vote in favour of ratifying and approving the Plan.

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

**It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the Control Person Resolution.**

## **ADDITIONAL INFORMATION**

Additional information about the Company is located on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis are also available on SEDAR for its most recently completed financial year ended December 31, 2021. Shareholders may contact the Company to request copies of the financial statements and Management's Discussion and Analysis by writing to the Chief Financial Officer, Mr. Rob Suttie at the address below or by e-mail at [rsuttie@marrellisuport.ca](mailto:rsuttie@marrellisuport.ca).

### **POWER NICKEL INC.**

202 – 82 Richmond Street East  
Toronto, Ontario  
M5C 1P1

## **OTHER MATERIAL FACTS**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

DATED at Toronto, Ontario, on the 26<sup>th</sup> day of May, 2022.

BY ORDER OF THE BOARD

**POWER NICKEL INC.**

(signed) "*Terry Lynch*"

Terry Lynch  
Chief Executive Officer and Director