



Annual and Special Meeting of Shareholders  
Management Information Circular

May 10, 2022

**CVW CleanTech Inc.**  
**Suite 800, 736 8<sup>th</sup> Avenue SW**  
**Calgary, Alberta T2P 1H4**

**Notice of Annual and Special Meeting of Shareholders**

**NOTICE IS HEREBY GIVEN THAT** the annual and special meeting of the shareholders (the "**Meeting**") of CVW CleanTech Inc. (formerly Titanium Corporation Inc.) (the "**Company**" or "**CVW CleanTech**") will be held as a virtual only meeting via live audio webcast online at <https://virtual-meetings.tsxtrust.com/1239> on June 22, 2022 at 11:00 a.m. (Calgary time) for the following purposes:

1. to receive and consider the financial statements of the Company for the fiscal year ended December 31, 2021;
2. fixing the number of directors to be elected at the Meeting at six (6);
3. the election of directors of the Company;
4. the appointment of the auditor and the authorization of the directors of the Company to fix the auditor's remuneration;
5. to consider and, if thought advisable, confirm and approve the stock option plan of the Company;
6. to consider and, if thought advisable, confirm and approve the deferred share unit plan of the Company;
7. to consider and, if thought advisable, confirm and approve the restricted share unit plan of the Company; and
8. to consider any amendment or variation of the above matters or any other matter that may be brought before the Meeting or any adjournment or adjournments thereof in such manner as such proxy, in such proxyholder's sole judgment, may determine.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information circular of the Company dated May 10, 2022. The board of directors of the Company has determined that shareholders registered on the books of the Company at the close of business on May 3, 2022 are entitled to notice of the virtual Meeting and to vote at the virtual Meeting.

The Company will hold its Meeting in a virtual only format. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location. See "*Virtual Only Meeting – Attending and Participating at the Meeting*" in the accompanying management information circular of the Company for instructions on how to participate in the Meeting.

Shareholders of the Company who are unable to attend the virtual Meeting are requested to date and sign the enclosed form of proxy and return it in the enclosed envelope. In order to be valid and acted upon at the virtual Meeting, forms of proxy must be returned to the Company's registrar and transfer agent, TSX Trust Company, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the virtual Meeting or any adjournment thereof. Registered shareholders of the Company may revoke their proxies by depositing an instrument in writing at the registered office of the Company at any time up to and including the last business day preceding the day of the virtual Meeting or any adjournment thereof or in any other manner permitted by law, including pursuant to the provisions of the *Canada Business Corporations Act*. Registered Shareholders who submit proxies in advance of the Meeting can still attend the Meeting, but will not need to vote. If they do vote at the Meeting, the online vote will revoke their previously submitted proxy.

**DATED** this 10<sup>th</sup> day of May, 2022.

**BY ORDER OF THE BOARD**

"Darren Morcombe"

Darren Morcombe

Executive Chairman and Interim Chief Executive Officer



## Chairman's Message

Dear Fellow Shareholders:

In 2021 your company, CVW CleanTech, faced similar challenges to most global businesses and the management team did a commendable job keeping the business moving forward while controlling costs. With the support of our business partners and the Federal and Alberta governments, management continued to successfully execute engineering programs critical to the progress of the CVW™ Horizon Project throughout 2021.

As you are no doubt aware the integration of our CVW™ technology into an existing operations requires significant engineering, forethought and planning. Our Company and Canadian Natural Resources Limited ("Canadian Natural") have been working together on the validation and optimization engineering of the CVW™ project facilities for many years. The 2021 focus of the joint team was on completion of overall plant design validation and optimization; engineering redesign and updating for the minerals separation plant, associated utilities and product transload facility; and the updating of Class 3 engineering capital costs and operating expenses for all of the Project facilities. This work continued into 2022 with the Company and Canadian Natural's joint project team reviewing, refining and assessing the Project costs, and its economic, environmental and operational benefits. These activities included developing various economic modeling scenarios, reviews of engineering details on operational improvements and cost savings, and assessment of the potential value of addressing environmental mitigation opportunities. Further technical studies are being undertaken in certain of these areas to identify and quantify the additional potential benefits and value for the Project.

Government funding programs, especially those aimed at lowering Canada's carbon emissions, have been crucial to the development and progress of the CVW™ Horizon Project. During 2021, we signed additional government contribution funding agreements and collected milestone funding payments related to the 2020 and 2021 research and development activities. In March 2022 the Company was awarded \$5 million of non-repayable grant funding from the Clean Resource Innovation Network ("CRIN"). The funds will be utilized for detailed engineering and procurement of key equipment required for the CVW™ Tailings Distillation Units.

We as a company own a unique technology that offers ESG benefits and has robust economics. The CVW™ technology is closely aligned with the ESG objectives of the oil sands industry including reducing climate changing emissions, improving tailings management and remediation, conserving valuable resources, creating resource diversification, new jobs, and economic growth. The development of complex large-scale technologies from inception, through R&D, piloting, demonstration, and engineering for site integration is a long, costly, and very disciplined process. Through the combined talents of the joint CVW CleanTech and Canadian Natural project team and with the support of governments and industry, we have successfully reached an advanced stage of site engineering for the first commercial scale implementation of our technology.

In parallel with the technical studies in 2021 and into 2022, the Company and Canadian Natural have discussed a number of options for the commercial deployment of the CVW™ technologies at Canadian Natural's Horizon operation. While CVW CleanTech is encouraged by these discussions, no agreement has been reached and there is no certainty that CVW CleanTech and Canadian Natural will reach an agreement. In addition, since early 2022

discussions have been held with potential financial partners on solutions for the commercial deployment of the CVW™ technology.

In early 2022, the Company's Board of Directors was reconstituted in an effort to increase the focus on the commercialization of the CVW™ technology while building on the historical technical success of the company. The Board was further strengthened in April 2022 by the addition of Jennifer Kaufield, the former Vice President, Finance and Chief Financial Officer of CVW CleanTech.

In March 2022, the Company's former Chief Executive Officer, Mr. Scott Nelson, announced his retirement. He will continue to play an important role with CVW CleanTech in the coming years, as he will consult to the business, providing expertise in government relations, funding agency contracting and the ongoing partnership and collaborations with our industry oil sands partners. The Board appreciates Mr Nelson's efforts as CEO and look forward to continuing to work with Scott.

To all our business and government partners, our employees, and our shareholders, we thank you for your collective support during an unprecedented and testing year. We wish you, your families and colleagues good health and safety as we all look forward to a successful 2022.

Sincerely,

Darren Morcombe

Executive Chairman and Interim Chief Executive Officer



## MANAGEMENT INFORMATION CIRCULAR MAY 10, 2022

### SOLICITATION OF PROXIES

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by or on behalf of the management (the "**Management**") of CVW CleanTech Inc. (formerly Titanium Corporation Inc.) (the "**Company**" or "**CVW CleanTech**") to be used at the annual and special meeting (the "**Meeting**") of the holders ("**Shareholder**") of common shares of the Company ("**Shares**") to be held as a virtual only meeting via live audio webcast online at <https://virtual-meetings.tsxtrust.com/1358> on June 22, 2022 at 11:00 a.m. (Calgary time) and at any adjournment or adjournments thereof for the purposes set forth in the notice of the Meeting. The solicitation of proxies will be primarily by mail. Proxies may also be solicited by the directors or officers of the Company at nominal cost.

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 Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The cost of solicitation by or on behalf of Management will be borne by the Company. Unless otherwise specified, all information set forth herein is as at May 10, 2022.

### THE VIRTUAL ONLY MEETING ATTENDING AND PARTICIPATING AT THE MEETING

Registered Shareholders (as defined below) and duly appointed proxyholders will be able to listen to the Meeting, ask questions and vote online, all in real time, provided they are connected to the Internet and comply with all of the requirements set out herein.

Non Registered Holders (as defined below) (commonly referred to as beneficial shareholders) who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. **Guests will be able to listen to the Meeting but will not be able to vote at the Meeting.**

- Go to <https://virtual-meetings.tsxtrust.com/1358> in your web browser. The latest versions of Chrome, Safari, Microsoft Edge or Firefox will be needed. The Company recommends that attendees log in at least thirty (30) minutes before the Meeting starts. Attendees should allow ample time to login to the Meeting to check compatibility and complete the related procedures.
- If you have voting rights (Registered Shareholders and duly appointed proxyholders), select "*I have a Control Number*", enter the control number or username and the password: **cvw2022** (case sensitive) and follow the instructions. See "*– Logging into the Meeting to Vote – Registered Shareholders and Duly Appointed Proxyholders*".
- If you do not have voting rights (Non Registered Holders and guests), select "*I am a Guest*" and fill in the form. See "*– Registration of a Proxyholder for Online Meeting Participation*" below.

See "*Participating and Voting at the Meeting*" below for additional instructions on voting. The Company recommends that Shareholders log in to the site at least thirty (30) minutes before the time of the Meeting. Shareholders will be able to log in to the site one hour before the time of the Meeting.

### **Logging into the Meeting to Vote – Registered Shareholders and Duly Appointed Proxyholders**

Registered Shareholders and duly appointed proxyholders, including Non Registered Holders who have duly appointed themselves as proxyholder, can participate, ask questions and vote, all in real time, during the Meeting by:

- Logging in online at <https://virtual-meetings.tsxtrust.com/1358>

**The Company recommends that Shareholders log in at least thirty (30) minutes before the time of the Meeting. Shareholders will be able to log in to the site one hour before the time of the Meeting.**

- Clicking "*I have a Control Number*" and then entering control number or username and the password **cvw2022** (case sensitive).

For Registered Shareholders, the Control Number is located on the accompanying form of proxy or in the email notification received from the Company's registrar and transfer agent, TSX Trust Company, (the "**Transfer Agent**"). For duly appointed proxyholders, provided that the instructions provided in this Circular have been followed, the Transfer Agent will provide a Meeting-specific control number by e-mail after the proxy deposit deadline has passed.

## **PARTICIPATING AND VOTING AT THE MEETING**

Attending the Meeting online gives Shareholders an opportunity to hear directly from Management and the Board. Registered Shareholders and duly appointed proxyholders can participate, ask questions and vote virtually via live audio webcast, including by asking questions during the question and answer session and voting online, provided they follow the instructions herein.

Registered Shareholders who wish to participate and vote at the Meeting do not need to complete or return the accompanying form of proxy. A Control Number is located on the accompanying form of proxy and it may be used to login to the Meeting and vote at the Meeting by completing a ballot online during the Meeting. If a Registered Shareholder submits a form of proxy, they do not need to vote again at the Meeting as their vote will already be recorded. Registered Shareholders who submit proxies in advance of the Meeting can still attend the Meeting and not vote. If they do vote at the Meeting again, the online vote will revoke their previously submitted proxy. See "*Appointment, Revocation and Deposit of Proxies*" below.

Non Registered Holders who wish to attend the Meeting and vote by completing a ballot online during the Meeting must appoint themselves as their own proxyholders by following the instructions herein. See "*Registration of a Proxyholder for Online Meeting Participation*" and "*Advice to Beneficial Shareholders*" below.

### Registration of a Proxyholder for Online Meeting Participation

The following applies to Shareholders who wish to appoint someone as their proxyholder other than the management designees named in the form of proxy or voting instruction form ("**VIF**") to attend the virtual Meeting and vote on their behalf. This includes Beneficial Shareholders who wish to appoint themselves as proxyholder to attend and participate in the virtual Meeting. Shareholders who wish to appoint someone other than the management designees as their proxyholder to attend and participate at the Meeting as their proxy and vote their Common Shares **MUST** submit their form of proxy or VIF, as applicable, appointing that person as proxyholder (see "*Solicitation of Proxies*" above and "*Beneficial Holders of Common Shares*" below) **AND** must register that proxyholder, as described below. **Registering a Shareholder's proxyholder is an additional step to be completed AFTER such Shareholder has submitted their form of proxy or VIF. Failure to register the proxyholder will result in the proxyholder not receiving the Meeting-specific control number from the Transfer Agent that is required in order to participate and vote at the Meeting.** If you are a Non Registered Holder and you wish to participate or vote at the Meeting, you must appoint yourself as proxyholder by inserting your own name in the space provided on the form of proxy or VIF sent to you by your intermediary, and follow all of applicable instructions provided by your intermediary **AND** you must also register yourself as your proxyholder, as described below. By doing so, you are instructing your Intermediary (as defined herein) to appoint you as proxyholder. Non Registered Holders who have not appointed themselves as proxyholder (and registered as instructed below) cannot vote online during the Meeting. This is because the Company and the Transfer Agent do not maintain the records for Non Registered Holders and we have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder.

Shareholders must register their proxyholder in advance of the Meeting. Before registering, you must first appoint your proxyholder (see above). To register a proxyholder, **Shareholders MUST contact tsxtrustproxyvoting@tmx.com by 11:00 a.m. (Calgary time) on June 20, 2022** and provide the Transfer Agent with the required proxyholder contact information, so that Transfer Agent may provide the proxyholder with a Meeting-specific control number via email. Without a Meeting-specific control number, proxyholders will not be able to attend and vote online at the Meeting.

### APPOINTMENT, REVOCATION AND DEPOSIT OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors or nominees of Management. **A SHAREHOLDER HAS THE RIGHT TO APPOINT ANY OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING OR ANY ADJOURNMENT THEREOF AND MAY DO SO BY INSERTING IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY THE NAME OF THE PERSON, WHO NEED NOT BE A SHAREHOLDER, WHOM HE OR SHE WISHES TO APPOINT, OR BY COMPLETING ANOTHER FORM OF PROXY.** In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the Transfer Agent, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting or any adjournment thereof. See also "*The Virtual Only Meeting – Registration of a Proxyholder for Online Meeting Participation*".

A Shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised. The *Canada Business Corporations Act* (the "**CBCA**") sets out a procedure for revoking proxies by depositing an instrument in writing at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or in any other manner permitted therein or by law. Further, a Registered Shareholder attending the Meeting has the right to vote online directly at the Meeting and if he or she does so, his or her proxy is automatically revoked.

## ADVICE TO BENEFICIAL SHAREHOLDERS

Only a holder (a "**Registered Shareholder**") whose Shares are registered in its own name and proxies deposited by Registered Shareholders, or the persons they duly appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Shares beneficially owned by a holder (a "**Non Registered Holder**") are registered in the name of an intermediary (an "**Intermediary**") that the Non Registered Holder deals with in respect of such Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to use the "notice-and-access" provisions (the "**Notice-and-Access Provisions**") for the Meeting in respect of the mailing of the notice of the Meeting, this Circular and the form of proxy (collectively, the "**meeting materials**"), annual and interim financial statements and related management's discussion and analysis to the Non Registered Holders, but not in respect of mailings to registered holders of Shares (i.e., a shareholder whose name appears on the Company's records as a holder of Shares). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post its information circular in respect of a meeting of its shareholders and related materials online.

CVW has also elected to use procedures known as "stratification" in relation to the Company's use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis ("**Financial Information**"), to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, Registered Shareholders will receive a paper copy of the meeting materials and the Financial Information whereas all Non Registered Holders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a VIF. CVW intends to pay for Intermediaries to deliver proxy-related materials to objecting Non Registered Holders. Furthermore, a paper copy of the Financial Information in respect of the Company's most recently completed financial year was mailed to those Registered Shareholders and Non Registered Holders who previously requested to receive such information.

Shares held by Intermediaries can only be voted upon with the instructions of the Non Registered Holders. Intermediaries are required to seek voting instructions from Non Registered Holders in advance of the Meeting. Each Intermediary has its own procedures and provides its own instructions, which should be carefully followed by Non Registered Holders to ensure that their Shares are voted at the Meeting. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Without specific instructions, Intermediaries are prohibited from voting shares for their clients. The directors and officers of CVW do not know for whose benefit the Shares registered in the names of Intermediaries are held.

The Company is taking advantage of those provisions of NI 54-101 which permit the Company to deliver proxy-related materials directly to its Non Registered Holders who do not object to the Company knowing who they are ("**NOBOs**"). As a result, NOBOs can expect to receive a VIF from the Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent as set out in the instructions provided on the VIF. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs it receives. By choosing to send these materials to you directly, the Company (and not the Intermediary holding your Shares on your behalf) has assumed

responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions that you receive.

Other Non Registered Holders who have not waived the right to receive meeting materials may be given a proxy which is restricted as to the number of Shares beneficially owned by the Non Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non Registered Holder. Often, the form of proxy supplied to a Non Registered Holder by its Intermediary is identical to the form of proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholders how to vote on behalf of the Non Registered Holder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Non Registered Holders and asks Non Registered Holders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting.

**A Non Registered Holder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.**

The purpose of these procedures is to permit Non Registered Holders to direct the voting of the Shares they beneficially own. **Should a Non Registered Holder who receives either a proxy or a VIF wish to attend and vote at the Meeting online (or have another person attend and vote on behalf of the Non Registered Holder), the Non Registered Holder should strike out the names of the persons named in the proxy and insert the Non Registered Holder's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding directions therein and in this Circular. In either case, Non Registered Holders should carefully follow the instructions of their Intermediaries and their service companies. It is important that the VIF or form of proxy be received by the Intermediary or its agent sufficiently in advance of the Meeting to enable the Intermediary or its agent to provide voting instructions on your behalf. See "*The Virtual Only Meeting – Registration of a Proxyholder for Online Meeting Participation*" above.**

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

## **MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES**

All Shares represented by properly executed proxies received by the Company in a timely fashion will be voted at the Meeting in accordance with the instructions of the Shareholders appointing them. If a choice is specified in respect of any matter to be acted upon, the Shares will be voted accordingly.

**IN THE ABSENCE OF SUCH DIRECTION, THE SHARES WILL BE VOTED "FOR" IN REGARDS TO THE FOLLOWING MATTERS:**

1. to receive and consider the financial statements of the Company for the fiscal year ended December 31, 2021 and the auditor's report thereon;
2. fixing the number of directors to be elected at the Meeting at six (6);
3. the election of directors of the Company;

4. the appointment of the auditor and the authorization of the directors of the Company to fix the auditor's remuneration;
5. confirming and approving the stock option plan of the Company (the "**Option Plan**");
6. confirming and approving the deferred share unit plan of the Company (the "**DSU Plan**");
7. confirming and approving the restricted share unit plan of the Company (the "**RSU Plan**" and, collectively with the Option Plan and the DSU Plan, the "**Security Based Compensation Arrangements**"); and
8. considering any amendment or variation of the above matters or any other matter that may be brought before the Meeting or any adjournment or adjournments thereof in such manner as such proxy, in such proxyholder's sole judgment, may determine.

THE ENCLOSED FORM OF PROXY, WHEN PROPERLY EXECUTED, CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO ALL AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF THE MEETING OR OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.** As of the date hereof, Management knows of no such amendments, variations or any other such matters.

The CBCA permits certain eligible Shareholders to submit shareholder proposals to the Company for inclusion in a management proxy circular for an annual and special meeting of Shareholders. As of the date of this Circular, no shareholder proposals were submitted for consideration at the upcoming Meeting.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As at May 10, 2022, the Company had 115,508,627 Shares issued and outstanding. Each Share carries the right to one vote at the Meeting.

The Company has fixed the close of business on May 3, 2022 as the record date for the purpose of determining Shareholders entitled to receive notice of the Meeting. All Shareholders of record as at the close of business on the record date will be entitled to vote at the Meeting and at all adjournments thereof.

Except as disclosed below, to the knowledge of the directors and officers of the Company, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

The officers and directors of the Company together beneficially own, directly or indirectly, or exercise control or direction over 23,418,087 Shares carrying approximately 20.3% of the votes attached to the Shares.

Based on publicly available information as of May 3, 2022, Mr. Moss Kadey beneficially owns, or controls or directs, directly or indirectly, 13,069,167 Shares representing approximately 11.3% of the outstanding Shares.

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

The current directors and officers of the Company and their associates and affiliates may have a material

interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in a matter to be acted upon at the Meeting as they currently hold, and may be granted additional, options, deferred share units and restricted share units, as applicable. See "*Particulars of Matters to be Acted Upon – Annual Approval of the Security Based Compensation Arrangements – Option Plan*", "*Particulars of Matters to be Acted Upon – Annual Approval of the Security Based Compensation Arrangements – DSU Plan*", "*Particulars of Matters to be Acted Upon – Annual Approval of the Security Based Compensation Arrangements – RSU Plan*", "*Statement of Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – DSU Plan*" and "*Statement of Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – RSU Plan*".

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

### **Financial Statements**

The Company's audited financial statements for the fiscal year ended December 31, 2021 and the report of the auditor on those financial statements will be presented at the meeting. No formal action will be taken at the Meeting to approve the financial statements. The board of directors of the Company (the "**Board**") approved the financial statements upon the recommendation of the audit committee of the Board (the "**Audit Committee**") on April 21, 2022, prior to their delivery to Shareholders.

### **Election of Directors**

The Company's articles currently provide that the Board shall consist of a minimum of three and a maximum of fifteen directors. At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at six (6) members and to elect six (6) directors to hold office until the next annual meeting or until their successors are elected or appointed.

In the event that, prior to the Meeting, any vacancies occur in the slate of nominees appearing below, it is intended that discretionary authority shall be granted to vote proxies solicited by or on behalf of Management for the election of any person or persons as directors. Each director elected will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected, unless the office is earlier vacated in accordance with the by-laws of the Company.

The following table and the notes thereto state the names of all persons proposed to be nominated by Management for election as directors, their principal occupations and the number of Shares beneficially owned, directly or indirectly, by each of them as of May 10, 2022.

<b>Name and Province and Country of Residence</b>	<b>Position</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Director Since</b>	<b>Number of Shares Beneficially Owned or Controlled</b>
John Brussa <sup>(2)(3)</sup> Alberta, Canada	Director	Since 1987, Partner of Burnet, Duckworth & Palmer LLP, a Calgary based law firm, where he has specialized in taxation and is currently the Chairman.	January 12, 2022	1,250,000

Name and Province and Country of Residence	Position	Principal Occupation During Past 5 Years	Director Since	Number of Shares Beneficially Owned or Controlled
Bruce Griffin <sup>(1)(2)(3)</sup> London, United Kingdom	Director	Since February 2020, owner of Farview Solutions Limited, a private consulting and advisory company since April 2021 Executive Chairman of Sheffield Resources Limited. Prior thereto, Senior Vice President Strategic Development of Lomon Billions Group from February 2017 to January 2020.	August 7, 2019	750,000 <sup>(4)</sup>
Moss Kadey <sup>(2)(3)</sup> Ontario, Canada	Director	Since 2000, an independent businessman and a director of private companies.	July 23, 2008	13,069,167 <sup>(5)</sup>
Jennifer Kaufield <sup>(2)(3)</sup> Alberta, Canada	Director	Until June 2021, the Vice President Finance, and Chief Financial Officer of CVW CleanTech Inc. (formerly Titanium Corporation). Thereafter, independent businesswoman and member of the Board of Directors of TransGlobe Energy Corporation.	March 31, 2022	590,346
John Kowal <sup>(1)(2)(3)</sup> Alberta, Canada	Director	Since 2019, a member of the Board of Directors of Magnetic North Acquisition Corp. Mr. Kowal has served as a consultant for End Result Inc. since 2012 as well as an advisor to Canaccord Genuity Group Inc. from 2012 to 2021, providing domestic and cross-border advisory and corporate finance services.	January 12, 2022	250,000

Name and Province and Country of Residence	Position	Principal Occupation During Past 5 Years	Director Since	Number of Shares Beneficially Owned or Controlled
Darren Morcombe <sup>(1)(2)(3)</sup> Lugano, Switzerland	Director	Mr. Morcombe has been a principal at Springtide Capital Pty. Ltd., a private investment company specializing in micro-cap listed companies, venture capital and resource-oriented companies, for the last five years.	January 12, 2022	6,118,000 <sup>(6)</sup>

## Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance and ESG Committee.
- (4) Mr. Griffin's Shares are held by Farview Solutions Ltd.
- (5) Mr. Kadey's shares are held as follows: Vivette Kadey (spouse) 100,000 shares, Moss Kadey 2,290,000 shares, Kadey Family Trust 2,400,000 shares and Mossco Capital Inc. 8,279,167 shares.
- (6) Mr. Morcombe's Shares are held by Cockatoo Valley Investment Trust.

The information with respect to Shares beneficially owned, controlled or directed by the nominees for election as directors named above is in each instance based upon information furnished by the person concerned.

### ***Biographical Information***

**John Brussa** is a Partner and the Chairman of the Calgary-based law firm of Burnet, Duckworth & Palmer LLP and has been a partner of the firm since 1987, specializing in the area of taxation. He served on his first public oil and gas board in 1990 and currently serves on the board of directors for a number of energy and energy related companies. Mr. Brussa brings a wealth of experience stewarding both private and public companies through continued industry evolution and growth, and provides key strategic direction for managing operational strategy, hedging, legal aspects, tax implications and corporate governance.

Mr. Brussa holds a Bachelor of Arts degree in History and Economics and a Bachelor of Laws degree. He is a past governor of the Canadian Tax Foundation and a Gold Medalist (Law) from the University of Windsor.

**Bruce Griffin** is the owner of Farview Solutions Limited, a company providing consulting and advisory services to the mineral sands, titanium pigment and industrial minerals industries. Mr. Griffin has previously held senior management positions in several mining and minerals companies, including as Senior Vice President Strategic Development of Lomon Billions Group, the world's third largest producer of titanium dioxide pigments, Chief Executive Officer and a director of TZ Minerals International Pty. Ltd., the leading independent consultant on the global mineral sands industry, World Titanium Resources Ltd., a development stage project in Africa and as Vice President Titanium for BHP Billiton, then one of the world's leaders in the industry. In April 2021 Mr. Griffin was appointed Executive Chairman of Sheffield Resources Limited.

**Moss Kadey** is the Founder and CEO of Mossco Capital Inc., a Toronto based strategic investor specializing in consumer goods, real estate and technology companies. He is the Chairman and Founder of Luxury Brand Partners, a Miami based creator and owner of branded consumer products in the beauty and hair care industries. Some of the brands he has been involved with from start up to eventual sale have been Bumble and Bumble, sold to Estee Lauder, Becca Cosmetics sold to Estee Lauder, Oribe Hair Care sold to Kao Industries and the North and South American owner of the Brita Water Filter rights sold to The Clorox Company. He is on the boards of numerous privately held corporations and is currently the Chairman of the Supervisory Board of Harvest Holdings, the parent company of Brita GmbH in Germany, the world leader in household pour through water filtration systems. Mr. Kadey obtained his Chartered Accountant designation in South Africa.

**Jennifer Kaufield** Ms. Kaufield was appointed as a director to CVW Clean Tech on March 31, 2022. She is an independent businesswoman with over 30 years of experience in private and public corporations both domestic and international. Ms. Kaufield was previously Chief Financial Officer of CVW CleanTech (formerly Titanium Corporation Inc until June 2021. She was recently appointed as a director of TransGlobe Energy Corporation and currently serves as audit committee chair and a member of the compensation and corporate governance committee. Ms. Kaufield holds a Bachelor of Administration degree, Accounting from St. Francis Xavier University, and is a Chartered Accountant (CA) and Chartered Public Accountant (CPA).

**John Kowal** is currently a member of the Board of Directors of Magnetic North Acquisition Corp. and serves on the advisory board for Pegasus Imagery Ltd. Mr. Kowal has served as Co-CEO at Sunshine Oilsands Ltd. and Vice President, Finance and Chief Financial Officer of Total E&P Canada Ltd. Mr. Kowal also served as Vice President, Finance and Chief Financial Officer of Deer Creek Energy Limited and Treasurer of Canadian Hunter Exploration Ltd. Additionally, Mr. Kowal's diversified experience includes positions at Noranda Inc., John Labatt Limited, Celestica Inc., and IBM Canada Limited. He has 36 years of experience in a variety of senior financial and treasury positions in several multinational companies during which Mr. Kowal has executed numerous debt and equity financings, completed several multibillion-dollar M&A transactions and has taken several companies public, including the first primary listing by a Canadian company on the Hong Kong Stock Exchange. Mr. Kowal holds a Bachelor of Commerce degree and a Master of Business Administration from McMaster University.

**Darren Morcombe** is the founder of Springtide Capital Pty. Ltd., a private investment company specializing in micro-cap listed companies, venture capital and resource-oriented companies. He has served in senior roles with Normandy Mining NL and Newmont Mining Corporation in the areas of financing, treasury and mergers and acquisitions and was the Founder, Chairman and a major shareholder of the largest gold refinery, distribution and finance company in the world. Mr. Morcombe is also a shareholder of several private and public companies and has more than 30 years of international experience in a variety of roles in the natural resource and finance sectors.

#### ***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

To the knowledge of the Company's directors and executive officers, other than as disclosed below, no proposed director is, as at the date hereof, or has been, within ten years of the date hereof, a director or chief executive officer or chief financial officer of any company, including CVW, that: (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted in such company, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of the company, being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of

more than 30 consecutive days and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

To the knowledge of the Company's directors and executive officers, other than as disclosed below, no proposed director is, as at the date hereof, or has been, within ten years of the date hereof, a director, chief executive officer or chief financial officer of any company, including CVW, that: (i) while that person was acting in their 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 became 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 (ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Brussa: (i) resigned as a director of Calmena Energy Services Inc. ("**Calmena**") on June 30, 2014. On January 19, 2015, a senior lender of Calmena (the "**Senior Lender**") made an application to the Court of Queen's Bench of Alberta (the "**Court**") to appoint an interim receiver under the *Bankruptcy and Insolvency Act* (Canada) and trading in the common shares of Calmena was suspended by the Toronto Stock Exchange. On January 20, 2015, the Senior Lender was granted a receivership order by the Court; (ii) was a director of Enseco Energy Services Corp. ("**Enseco**"), a public oilfield service company, which was placed in receivership on October 14, 2015 and, in connection therewith, a receiver was appointed under the *Bankruptcy and Insolvency Act* (Canada). Mr. Brussa resigned as a director of Enseco on October 14, 2015. On December 21, 2015 Enseco was assigned into bankruptcy by the receiver; (iii) was a director of Argent Energy Ltd. which was the administrator of Argent Energy Trust. On February 17, 2016, Argent Trust and its Canadian and United States holding companies (collectively "**Argent**") commenced proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**") for a stay of proceedings until March 19, 2016. On the same date, Argent filed voluntary petitions for relief under Chapter 15 of the United States Bankruptcy Code ("**Chapter 15**"). On March 9, 2016, the stay of proceedings under the CCAA was extended until May 17, 2016. Additionally on March 10, 2016 the U.S. Bankruptcy Court approved an order recognizing the CCAA as the foreign main proceedings under Chapter 15. Mr. Brussa resigned on June 30, 2016; (iv) resigned as a director of Twin Butte Energy Ltd. ("**Twin Butte**") on September 1, 2016. On September 1, 2016, the senior lenders of Twin Butte (the "**Senior Lenders**") made an application to the Court to appoint a receiver and manager over the assets, undertakings and property of Twin Butte under the *Bankruptcy and Insolvency Act* (Canada) and trading in the common shares of Twin Butte was suspended by the Toronto Stock Exchange. On September 1, 2016, the Senior Lenders were granted a receivership order by the Court; and (v) was a director of Virginia Hills Oil Corp. ("**VHO**"), a TSX-V listed oil and gas company. On February 13, 2017, VHO received a demand notice and notice of intention to enforce security from its lenders and agreed to consent to the early enforcement of the lenders' security and the appointment of a receiver over all of the current and future assets, undertakings and properties of VHO. The receiver was appointed on February 13, 2017. Mr. Brussa resigned as a director of VHO on February 24, 2017.

No proposed director has been subject to: (i) 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 (ii) 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.

***Advance Notice By-laws***

The Company has adopted advance notice by-laws (the "**AVN By-laws**") which provide that advance notice to the Company must be made in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a "proposal" made in accordance with the CBCA; or (b) a requisition of a meeting made pursuant to the CBCA.

The AVN By-laws fix a deadline by which Shareholders must submit director nominations to the Corporate Secretary of the Company prior to any annual or special meeting of Shareholders and outlines the specific information that a nominating shareholder must include in the written notice to the Corporate Secretary of the Company for an effective nomination to occur. No person nominated by a Shareholder will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the AVN By-laws.

In the case of an annual meeting of shareholders, notice to the Corporate Secretary of the Company must be made not earlier than the 65<sup>th</sup> day and not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10<sup>th</sup> day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting was made.

In the event of an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof, a new time period will not commence for the giving of timely notice.

The Board may, in its sole discretion, waive any requirement of the advance nomination of directors provisions of the AVN By-laws.

**Majority Voting for Directors**

The Board has adopted a policy stipulating that if the votes "for" the election of a director nominee at a meeting of Shareholders are fewer than the number voted "withheld", the nominee is expected to submit his or her resignation promptly after the meeting for the consideration of the Board. The Board will then decide whether to accept or reject the resignation. The Board's decision to accept or reject the resignation will be disclosed to the Shareholders. The nominee will not participate in any Board deliberations whether to accept or reject the resignation. The Company's majority voting policy does not apply in circumstances involving contested director elections.

**Unless a proxy specifies that the Shares it represents should be voted against fixing the number of directors of the Company at six (6), the proxy holders named in the accompanying proxy intend to use it to vote FOR fixing the number of directors of the Company at six (6). Additionally, unless a proxy specifies that the Shares it represents should be withheld from voting in the election of directors, the proxy holders named in the accompanying proxy intend to use it to vote FOR the election of the nominees as directors of the Company.**

**Appointment of Auditor**

The persons designated in the enclosed form of proxy intend to vote for the appointment of PricewaterhouseCoopers LLP as auditor of the Company to hold office until the next annual meeting of

Shareholders and to authorize the Board to fix its remuneration as such. PricewaterhouseCoopers LLP was first appointed as auditor of the Company on February 23, 2006.

**Unless a proxy specifies that the Shares it represents should be withheld from voting in the appointment of the auditor, the proxy holders named in the accompanying proxy intend to use it to vote FOR the appointment of PricewaterhouseCoopers LLP as auditor of the Company to hold office until the close of the next annual meeting of Shareholders at a remuneration to be fixed by the Board.**

#### **Annual Approval of the Security Based Compensation Arrangements**

A summary of the shares reserved for issuance under the Company's security based compensation arrangements is presented in the table below.

<b>Shares reserved for issuance under Security Based Compensation Arrangements</b>				
	<b>As at May 10, 2022</b>	<b>Percentage of issued and outstanding common shares</b>	<b>As at December 31, 2021</b>	<b>Percentage of issued and outstanding common shares</b>
Common shares issued and outstanding	115,508,627		88,480,781	
10% of issued and outstanding common shares	11,550,863		8,848,078	
Outstanding DSU's	1,486,614	1.3%	1,769,616	2.0%
Outstanding RSU's	1,639,520	1.4%	1,639,520	1.9%
Outstanding stock options	6,335,000	5.5%	3,205,000	3.6%
Total issuable	9,461,134	8.2%	6,614,136	7.5%
Available room in the plan	2,089,729	1.8%	2,233,942	2.5%

A summary of the number of additional shares that could be granted or issued under the terms of the existing security based compensation arrangements is presented in the table below.

	<b>As at May 10, 2022</b>	<b>Percentage of issued and outstanding common shares</b>	<b>As at December 31, 2021</b>	<b>Percentage of issued and outstanding common shares</b>
Aggregate number of shares reserved for issuance upon exercise or redemption of RSU's and DSU's	3,126,134	2.7%	3,409,136	3.9%
Additional DSU's that could be granted, subject to reaching 2% plan limit	603,115	0.5%	-	0%

	As at May 10, 2022	Percentage of issued and outstanding common shares	As at December 31, 2021	Percentage of issued and outstanding common shares
Additional RSU's that could be granted, subject to reaching 2% plan limit	450,209	0.4%	130,096	0.2%
Additional stock options that could be granted, subject to reaching 10% plan limit	1,036,405	0.9%	2,103,846	2.4%
	2,089,729	1.8%	2,233,942	2.5%

### **Option Plan**

#### *Background*

The Company has a "rolling" stock option plan pursuant to which the aggregate number of Shares that may be issued under the Option Plan and any other security based compensation arrangement, as that term is defined in the Option Plan, which includes the DSU Plan and the RSU Plan, may not exceed 10% of the issued and outstanding Shares, on a non-diluted basis, at any time.

Pursuant to Policy 4.4 of the TSX Venture Exchange (the "**Exchange**"), a "rolling" plan, such as the Option Plan, must receive shareholder approval each year at the annual meeting of shareholders. In addition, the Company must receive Exchange acceptance of a "rolling" plan each year. The Option Plan was last approved by the Shareholders at the annual and special meeting of Shareholders held on March 8, 2022. **Management and the directors of the Company recommend that Shareholders approve the Option Plan at the Meeting.**

A summary of the Option Plan is included in this Circular under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Stock Option Plan*". This summary is qualified in its entirety by the full text of the Option Plan, which is attached as Schedule "A" to the Company's management information circular dated January 8, 2015.

#### *Approval Requirements*

The Option Plan must be approved by a simple majority (50%) of the votes cast by Shareholders present or represented by proxy at the Meeting.

#### *Approval of the Option Plan by Shareholders*

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to approve the Option Plan (the "**Plan Resolution**"):

#### **"BE IT RESOLVED THAT:**

1. the stock option plan of the Company be and it hereby is approved;

2. any director or officer of the Company is hereby authorized to execute and deliver and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the foregoing resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Company, the adoption of the proposed share option plan of the Company is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

The Board has concluded that the approval of the Option Plan is in the best interests of the Company. **Accordingly, the Board unanimously recommends that Shareholders ratify, confirm and approve the Option Plan by voting FOR the Plan Resolution at the Meeting.**

**Proxies received in favour of Management will be voted in favour of the Plan Resolution unless the Shareholder has specified in the proxy that his or her Shares are to be voted against such resolution.**

### ***DSU Plan***

#### *Background*

The Company has a deferred share unit plan pursuant to which the aggregate number of Shares that may be issued under such plan and other security based compensation arrangement, as that term is defined in the DSU Plan, which includes the Option Plan and the RSU Plan, may not exceed 10% of the issued and outstanding Shares, on a non-diluted basis, at any time.

The Board and Management have determined that, as a best practice, the DSU Plan should receive Shareholder approval each year. Management and the directors of the Company recommend that Shareholders approve the DSU Plan at the Meeting.

A summary of the DSU Plan is included in this Circular under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – DSU Plan*". This summary is qualified in its entirety by the full text of the DSU Plan, which is attached as Schedule "B" to the Company's management information circular dated January 8, 2015.

#### *Approval Requirements*

The DSU Plan must be approved by a simple majority (50%) of the votes cast by Shareholders present or represented by proxy at the Meeting.

#### *Approval of the DSU Plan by Shareholders*

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to approve the DSU Plan (the "**DSU Plan Resolution**"):

#### **"BE IT RESOLVED THAT:**

1. subject to approval by the TSX Venture Exchange, the deferred share unit plan of the Company be and it hereby is approved;

2. any director or officer of the Company is hereby authorized to execute and deliver and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the foregoing resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Company, the adoption of the proposed deferred share unit plan of the Company is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

The Board has concluded that the approval of the DSU Plan is in the best interests of the Company. **Accordingly, the Board unanimously recommends that Shareholders ratify, confirm and approve the DSU Plan by voting FOR the DSU Plan Resolution at the Meeting.**

**Proxies received in favour of Management will be voted in favour of the DSU Plan Resolution unless the Shareholder has specified in the proxy that his or her Shares are to be voted against such resolution.**

### **RSU Plan**

#### *Background*

The Company has a restricted share unit plan pursuant to which the aggregate number of Shares that may be issued under such plan and any other security based compensation arrangement, as that term is defined in the RSU Plan, which includes the Option Plan and the DSU Plan, may not exceed 10% of the issued and outstanding Shares, on a non-diluted basis, at any time.

The Board and Management have determined that, as a best practice, the RSU Plan should receive Shareholder approval each year. Management and the directors of the Company recommend that Shareholders approve the RSU Plan at the Meeting.

A summary of the RSU Plan is included in this Circular under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – RSU Plan*". This summary is qualified in its entirety by the full text of the RSU Plan, which is attached as Schedule "C" to the Company's management information circular dated January 8, 2015.

#### *Approval Requirements*

The RSU Plan must be approved by a simple majority (50%) of the votes cast by Shareholders present or represented by proxy at the Meeting.

#### *Approval of the RSU Plan by Shareholders*

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to approve the RSU Plan (the "**RSU Plan Resolution**"):

#### **"BE IT RESOLVED THAT:**

1. subject to approval by the TSX Venture Exchange, the restricted share unit plan of the Company be and it hereby is approved;

2. any director or officer of the Company is hereby authorized to execute and deliver and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the foregoing resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Company, the adoption of the proposed restricted share unit plan of the Company is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

The Board has concluded that the approval of the RSU Plan is in the best interests of the Company. **Accordingly, the Board unanimously recommends that Shareholders ratify, confirm and approve the RSU Plan by voting FOR the RSU Plan Resolution at the Meeting.**

**Proxies received in favour of Management will be voted in favour of the RSU Plan Resolution unless the Shareholder has specified in the proxy that his or her Shares are to be voted against such resolution.**

### **General**

Management knows of no other matters to come before the Meeting other than the matters referred to in the notice of the Meeting. **HOWEVER, IF ANY OTHER MATTERS WHICH ARE NOT NOW KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING THE PROXY.**

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### ***Background***

The Company has developed a suite of technologies called Creating Value from Waste™ (“CVW™”) that recovers bitumen, solvents, heavy minerals and water from oil sands froth treatment tailings. The Company expects that the recovery of bitumen, associated solvents and water will result in important and timely environmental improvements for the oil sands industry. Recovering additional bitumen from the existing froth tailings stream will provide incremental revenue, helping achieve better netbacks while reducing the environmental footprint of oil sands operations.

During 2020 and 2021, CVW CleanTech continued to develop and refine the CVW™ technology through validation and optimization engineering work undertaken with Canadian Natural Resources Ltd. (“Canadian Natural”) at their Horizon Oil Sands (“Horizon”) mining site (the “Project”). Canadian Natural is a senior oil and natural gas production company, with operations in in Western Canada, the U.K. portion of the North Sea and Offshore Africa.

All disclosure provided herein is for the Company's most recently completed financial year, being December 31, 2021.

### **Compensation Committee**

In order to assist the Board in fulfilling its oversight responsibilities regarding human resource and compensation matters, the Board has established the Compensation Committee. During 2021, the Compensation Committee was comprised of three directors, namely Moss Kadey, Brant Sangster and David Macdonald, all of whom were independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"). Mr. Sangster was the Chair of the Compensation Committee. Mr. Sangster retired from the Board effective December 19, 2021; Mr. Macdonald retired from the Board effective January 12, 2022.

On January 18, 2022, the Compensation Committee was reconstituted with new members of the Board of Directors. The Compensation Committee is currently comprised of six directors: John Brussa, Bruce Griffin, Moss Kadey, Jennifer Kaufield, John Kowal and Darren Morcombe. Jennifer Kaufield is not considered independent within the meaning of NI 58-101 until May 2024 due to her prior role as Chief Financial Officer and Vice President, Finance within the CVW CleanTech. All other members are considered independent within the meaning of NI 58-101.

Mr. Griffin is the current Chair of the Compensation Committee. As Darren Morcombe was appointed the interim Chief Executive Officer ("CEO") on April 1, 2022, John Brussa was named as the lead independent director to ensure independent leadership could be provided in any circumstances where Mr. Morcombe, acting as Non Executive Chairman and interim CEO, could potentially be in conflict.

Mr. Griffin has extensive experience in the mining industry, having provided consulting and advisory services to the mineral sands, pigment and industrial minerals industries for many years and having previously held senior management positions in several mining and minerals companies. For more information on the members of the Compensation Committee see "*Particulars of Matters to be Acted Upon – Election of Directors – Biographical Information*".

The Board recognizes the importance of appointing knowledgeable and experienced individuals to the Compensation Committee; in particular, those who have the necessary background in executive compensation and risk management in order to fulfill the Compensation Committee's obligations to the Board. All current members of the Compensation Committee bring strong business and industry knowledge to the committee and have experience as senior leaders of successful organizations.

The Compensation Committee's responsibilities include recommending to the Board for approval the remuneration of the Chief Executive Officer, including salary, bonus, options and any other incentive plan; the annual compensation budget for staff of the Company; the number of Shares to be reserved under the Security Based Compensation Arrangements; the number of securities to be granted pursuant to the Security Based Compensation Arrangements; salaries, target bonus awards, other incentive awards and options for the officers of the Company; implementation of, or changes to, compensation and benefits policies; and administering the Security Based Compensation Arrangements. The Chief Executive Officer of CVW CleanTech retired March 31, 2022. While Mr. Morcombe is fulfilling the interim Chief Executive Officer role, he is not receiving compensation specific to this role.

In establishing the Company's executive compensation program, the Compensation Committee considers the implication of the risks associated with the Company's compensation program, including the risk of executives taking inappropriate or excessive risks; the risk of inappropriate focus on achieving short term goals at the expense of long term returns to Shareholders; and the risk of encouraging aggressive accounting practices.

While no program can fully mitigate these risks, the Company believes that many of these risks are mitigated by: weighting the Company's long term incentives towards share ownership and vesting the Company's long term incentives over a number of years; establishing a uniform incentive program for all executive officers and employees; avoiding narrowly focused performance goals which may encourage loss of focus on providing long term Shareholder returns and retaining adequate discretion to ensure that the Compensation Committee and the Board retain their business judgment in assessing actual performance; and establishing a strong "tone at the top" for accounting, regulatory, environmental and health and safety compliance.

No compensation consultant or advisor has, at any time since the Company's most recently completed financial year, been retained to assist the Board or the Compensation Committee in determining compensation for any of CVW's directors or executive officers.

### ***Compensation Philosophy and Objectives***

The Company's overall compensation philosophy is that executives should be compensated for performance in their position and for achievement of additional personal and corporate objectives. The main objective of the Company's compensation program is to attract, motivate and retain highly qualified and competent executives, consistent with general sector practices, while specifically recognizing the size of the Company and its stage of development. The Company's compensation program also has an objective of aligning the interests of executives with those of Shareholders. The Company's compensation program is designed to reward executives for performance in their position and for achievement of general personal and corporate objectives in a manner consistent with the Company's strategic plan, including further development of the Company and achieving Shareholder returns.

### ***Short Sales, Puts, Calls and Options***

Pursuant to the Company's Insider Trading and Blackout Policy, directors, officers and all employees of the Company, shall not knowingly sell, directly or indirectly, a security of the Company if such person selling such security does not own or has not fully paid for the security to be sold. Directors, officers and employees of the Company shall not, directly or indirectly, buy or sell a put, call, option or other right or obligation to purchase or sell securities of the Company.

### ***Elements of Compensation***

The elements of compensation generally awarded to, earned by, paid to or payable to Named Executive Officers ("NEO's") (as hereinafter defined) are as follows: (i) a base salary; (ii) a short term incentive in the form of a cash bonus and/or award of restricted share units ("RSUs"); (iii) a long term incentive in the form of stock options and RSUs; and (iv) retention bonuses for certain Named Executive Officers in the form of a cash bonus and/or award of RSUs. As at December 31, 2021, the Company had the following Named Executive Officers: (i) Mr. Scott Nelson, President and Chief Executive Officer; (ii) Ms. Ingrid Meger, Vice President, Finance and Chief Financial Officer; (iii) Mr. Kevin Moran, Executive Vice President, Chief Technology Officer; and (iv) Mr. Niel Erasmus Vice President, Mineral Sands

Generally, the Compensation Committee considers a broad range of factors when setting overall compensation for the Named Executive Officers and each element of compensation, including but not limited to what is required to recruit and retain the Named Executive Officers who are critical to the success of the Company; what general sector compensation practices are; what the Company can afford; what is necessary to incentivize

individual and corporate performance; and what is necessary to align the interests of Named Executive Officers with those of shareholders on a longer term basis.

#### *Base Salary*

Base salary is intended to provide Named Executive Officers with basic compensation consistent with the individual's level of responsibility, skills, knowledge and experience; the contribution expected from each individual; and general sector compensation practices for individuals in the applicable position, all with a view to attracting and retaining the Named Executive Officers. In some circumstances, the level of base salary may affect the Company's decisions relating to short term incentives (i.e., cash bonuses) given that, in some cases, bonuses are payable as a percentage of base salary (i.e., if performance criteria are achieved).

#### *Short Term Incentives*

The Company may award short term incentives to Named Executive Officers from time to time based on their annual performance. Short term incentive compensation is intended to motivate and incentivize Named Executive Officers to meet certain shorter term personal and corporate objectives, which vary from individual to individual, from year to year. The Compensation Committee communicates to the Named Executive Officers the key accomplishments it wishes to reward in a given year, such as individual achievements, research and development success, specific progress during the year on advancing the Company's commercialization of its technology, and overall cost savings. These short term incentives are intended to ensure that a portion of a Named Executive Officer's compensation correlates with corporate objectives and varies with actual performance in a given year. In some circumstances, a maximum level of bonus (expressed as a percentage of base salary) or a set amount upon achievement of a specified goal is included in an employment agreement with a Named Executive Officer (see "*Summary Compensation Table – Discussion – Employment Agreements*"), but generally the award of short term incentives is at the discretion of the Board, based upon the recommendations of the Compensation Committee.

The Company's process for awarding short term incentives to Named Executive Officers varies depending on the circumstances. From time to time, the Chief Executive Officer will present the Compensation Committee with the performance of certain other Named Executive Officers and will make recommendations to the Compensation Committee regarding possible bonuses to such Named Executive Officers to reward them for specific performance.

Annually, the Compensation Committee will then consider and determine whether to recommend such awards to the Board for approval. The Compensation Committee also independently considers whether awards of short term incentives should be made to the Chief Executive Officer.

The Company generally grants short term incentives in the form of cash bonuses. CVW CleanTech also utilizes its RSU plan to provide additional non cash incentives to its NEO's. Throughout the period from 2013 through 2020, there was greater reliance on the use of RSUs to compensate the Company's officers. This strategy was, in part, done to conserve cash and working capital.

As noted above, the Compensation Committee was reconstituted on January 18, 2022, following completion of an equity offering which closed on January 12, 2022. During the period up to May 10, 2022, the Compensation Committee undertook analysis and research regarding the Company's compensation plans. The Committee's goal is to ensure that the compensation package is aligned with corporate strategies to commercialize the CVW

technologies. The Committee has therefore not had the ability to determine whether variable compensation will be a significant part of compensation for the NEO's for general achievement of individual and corporate objectives going forwards (see "*Summary Compensation Table – Discussion – Employment Agreements*").

Prior to the year-ended December 31, 2021, the use of RSUs as part of variable compensation had been curtailed due to limitations imposed by the RSU Plan, restricting the number of available equity instruments in comparison to the issued and outstanding Shares. As a result, the Board resolved to defer the grant and pricing of RSUs to settle variable pay that had accrued in 2019 and 2020 for certain Named Executive Officers until such time as there were sufficient Shares available to settle the outstanding liability. As a result of the equity placement in January 2022, all outstanding compensation that had been deferred and accrued in this manner was settled with cash payment to the NEO's.

#### *Long Term Incentives*

The Company may award long term incentives in the form of stock options and RSU's from time to time. Long term incentive compensation is intended to ensure a commonality of interests between the NEO's and the Company's shareholders. The forms of long term incentives are intended to ensure that a portion of a Named Executive Officer's compensation is tied to the growth in the value of the Shares over the longer term. This is the high risk, high return component of the Company's executive compensation program because the value received by the Named Executive Officers for such awards correlates to the market value of the Shares. In some circumstances, an initial grant of stock options and/or RSUs to a new Named Executive Officer or a future grant of such awards upon achievement of a specified goal may be included in an employment agreement with a Named Executive Officer (see "*Summary Compensation Table – Discussion – Employment Agreements*"), but in most circumstances, the award of long term incentives is at the discretion of the Board.

The process by which the Company grants stock options and/or RSUs for long term incentive purposes to Named Executive Officers varies depending on the circumstances. Annually, the Chief Executive Officer will present the Compensation Committee with the performance of certain other Named Executive Officers and will make recommendations to the Compensation Committee regarding possible grants to such Named Executive Officers to reward them for specific performance. The Compensation Committee will then consider and determine whether to recommend such grants to the Board for approval. The Compensation Committee also independently considers from time to time whether grants should be made more generally to Named Executive Officers or to specific Named Executive Officers to incentivize performance over the longer term. For the Chief Executive Officer, the Compensation Committee considers the steps required to achieve the Company's strategic plan, the Chief Executive Officer's performance to date, and the number of awards judged necessary to retain the Chief Executive Officer.

Finally, the Compensation Committee also considers and determines whether to recommend to the Board for approval grants to new Named Executive Officers when employment agreements are being negotiated by the Chief Executive Officer on behalf of the Company.

In setting or amending the plans for such awards, the Compensation Committee takes into account the recommendations of senior Management, including the Named Executive Officers. Previous grants of such awards are taken into account when considering new grants. Details regarding the plans for stock options, deferred share units ("**DSUs**") and RSUs are set out below. Also see "*Particulars of Matters to be Acted Upon – Annual Approval of the Security Based Compensation Arrangements*".

## **ANNUAL APPROVAL OF THE EQUITY COMPENSATION PLANS**

As previously noted, the Company asks its Shareholders to annually review and approve the stock option plan, the RSU plan and the DSU plan.

The stock option plan was initially approved at a special meeting of the Shareholders held on July 7, 2009 and has subsequently been reapproved each year at the annual and special meeting of Shareholders.

The purpose of the Option Plan is to encourage ownership of Shares by the directors, officers, employees and consultants of the Company; advance the interests of the Company by providing additional incentives for superior performance by such persons; and enable the Company to attract and retain valued directors, officers, employees and consultants.

The Option Plan is a "rolling" 10% plan that provides that the aggregate number of Shares reserved for issuance shall not exceed 10% of the issued and outstanding Shares.

The following summary of the Option Plan is qualified in its entirety by the full text of the Option Plan attached as Schedule "A" to the Company's management information circular dated January 8, 2015.

The key features of the Option Plan are as follows:

1. the Option Plan is administered by the Board or, if the Board so delegates, a committee of the Board appointed from time to time by the Board;
2. the aggregate number of Shares reserved for issuance pursuant to options granted under the Option Plan and any other Security Based Compensation Arrangements shall not exceed 10% of the issued and outstanding Shares as at the date of grant (on a non-diluted basis). Further, any grant of options under the Option Plan shall be subject to the following restrictions:
  - (a) the aggregate number of Shares reserved for issuance pursuant to options and other securities issued under other Security Based Compensation Arrangements granted to any one individual in any 12 month period shall not exceed 5% of the issued and outstanding Shares, unless disinterested shareholder approval is obtained;
  - (b) the aggregate number of Shares reserved for issuance pursuant to options and other securities issued under other Security Based Compensation Arrangements granted to any one Consultant (as defined in the Option Plan) in any 12 month period shall not exceed 2% of the issued and outstanding Shares;
  - (c) the aggregate number of Shares reserved for issuance pursuant to options and other securities issued under other Security Based Compensation Arrangements granted to all optionees who are engaged in Investor Relations Activities (as defined in the Option Plan) in any 12 month period shall not exceed 2% of the issued and outstanding Shares;
  - (d) the aggregate number of Shares reserved for issuance pursuant to options and other securities issued under other Security Based Compensation Arrangements granted to Insiders (as defined

in the Option Plan) shall not exceed 10% of the issued and outstanding Shares, unless disinterested shareholder approval is obtained; and

- (e) the aggregate number of Shares reserved for issuance pursuant to options and other securities issued under other Security Based Compensation Arrangements granted to Insiders in any 12 month period shall not exceed 10% of the issued and outstanding Shares, unless disinterested shareholder approval is obtained;
- 3. the Board will fix the exercise price of each option at the time the option is granted, provided that such price shall not be less than the closing price of the Shares on the Exchange on the last trading day immediately preceding the date of grant of such option, less any applicable discount permitted under the policies of the Exchange;
- 4. if an optionee is an Insider, the exercise price of his or her options may only be reduced if disinterested shareholder approval is obtained, provided that such approval is then a requirement of the Exchange;
- 5. the period of time during which a particular option may be exercised is determined by the Board at the time the option is granted, provided that no such option term shall exceed ten years;
- 6. if the normal expiry date of an option falls within any black-out period (being a period of time when pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company) and the optionee is subject to the black-out period, the expiry date of such options shall be extended to the date that is ten business days following the end of such black-out period;
- 7. subject to the Exchange policies, the Board will determine the vesting period or periods within the term of an option during which an optionee may exercise an option or a portion thereof;
- 8. if any optionee ceases to be a director, officer, employee or consultant of the Company or its subsidiaries for any reason other than death, retirement or permanent disability, the optionee may within 30 days after such termination or prior to the expiry of the option period, whichever is earlier, exercise any option held by the optionee to the extent that the optionee was entitled to exercise the option at the date of such termination;
- 9. in the event of death of an optionee, the option previously granted is exercisable by the optionee's legal personal representative within 12 months following the date of death of the optionee;
- 10. in the event of retirement or permanent disability of an optionee, the optionee may within three months after such termination exercise any option held by the optionee to the extent that the optionee was entitled to exercise the option at the date of such termination;
- 11. in the event of termination for cause of an optionee, all options held by the optionee shall expire and terminate immediately;
- 12. options and rights related thereto held by an optionee are not assignable or transferable except effectively to the legal personal representative of an optionee upon his or her death;

13. the Board may amend, modify, change or discontinue the Option Plan and may amend, modify or change any outstanding option granted under the Option Plan, provided this does not alter or impair any option previously granted under the Option Plan (except as permitted under the Option Plan) and that this has been approved by the Exchange and, where necessary, by the Shareholders;
14. the Company shall have the power and the right to deduct or withhold, or require an optionee to remit to the Company, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Option Plan, including the grant or exercise of options granted under the Option Plan. With respect to required withholding, the Company shall have the irrevocable right to, and the optionee consents to, the Company setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Company to the optionee (whether arising pursuant to the optionee's relationship as a director, officer or employee of the Company or as a result of the optionee providing services on an ongoing basis to the Company or otherwise), or may make such other arrangements satisfactory to the optionee and the Company. In addition, the Company may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares as it determines are required to be sold by the Company, as trustee, to satisfy the withholding obligation net of selling costs. The optionee consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Shares and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Shares; and
15. optionees (or their beneficiaries) shall be responsible for all taxes with respect to any options under the Option Plan, whether arising as a result of the grant or exercise of options or otherwise. The provision further provides that the Board and the Company make no guarantees to any person regarding the tax treatment of options or payments made under the Option Plan and none of the Company, nor any of its employees or representatives shall have any liability to an optionee with respect thereto.

#### **DSU Plan**

The DSU Plan is designed to promote the alignment of interests between Non-Management Directors (as defined in the DSU Plan) and the Shareholders. The Board is responsible for administering the DSU Plan with the advice of the Compensation Committee or such other committee the Board deems appropriate.

**The following is a summary of the DSU Plan and is qualified in its entirety by the full text of the DSU Plan attached as Schedule "B" to the Company's management information circular dated January 8, 2015.**

#### ***Benefits of the DSU Plan***

The DSU Plan is designed to provide long term incentives for Non-Management Directors. The Board believes that DSUs have the following primary benefits:

1. current practice in corporate governance favours the use of DSUs over options for directors because the value of the DSUs can only be realized upon the director ceasing to serve the Company, which helps to ensure that directors act in the long term interests of the Company; and

2. the DSUs provide the Board with an additional compensation tool which can be used to help retain and attract qualified directors and further align the interests of Non-Management Directors with the interest of the Shareholders.

***Nature and Administration of the DSU Plan***

Only Non-Management Directors ("**Eligible Directors**") are eligible to participate in the DSU Plan. A DSU issued under the DSU Plan is a bookkeeping entry representing a future right to receive one Share at the time of the holder's retirement, death or the holder otherwise ceasing to be an Eligible Director.

Each Eligible Director is a member (a "**DSU Plan Member**") in the DSU Plan.

In January 2022, the Board of Directors elected to amend its compensation arrangements. In the past, the Directors received an annual retainers, plus retainers for acting as chairperson of specific committees. In addition, members of the Board were entitled to receive payment for each Board meeting attended. Going forward, the Board has elected to pay an annual retainer of \$30,000 to each director, payable quarterly. There will be no fees payable for attending specific meetings; instead, individual directors will be compensated based upon time directly spent on Board activities at a rate of \$1,200 per day.

Each DSU awarded by the Company is initially equal to the value of a Share at the time the DSU is awarded. The value of the DSU increases or decreases as the price of the Shares increases or decreases, thus promoting alignment of the interest of the Eligible Directors with the Shareholders. DSUs vest upon grant and are credited to an Eligible Director's account.

The value of the DSUs credited to a DSU Plan Member's account is redeemable upon the DSU Plan Member ceasing to be an Eligible Director of the Company. The value of the DSUs is redeemed by filing a written notice of redemption with the Company, specifying (i) either one or two redemption dates, and (ii) the percentage of DSUs held by the DSU Plan Member to be redeemed on each such redemption date (which when added together must equal 100%). Each redemption date specified in the notice of redemption must occur during the period commencing at least five business days following the date on which the notice is filed with the Company and ending:

1. in the event of death, termination for cause, termination without cause and resignation, 60 days after the DSU Plan Member's termination date; or
2. in the event of retirement from active employment, not later than the last day of the calendar year following the year of the DSU Plan Member's termination date.

Subject to applicable income tax and other withholdings as required by law, the value of the vested DSUs redeemed by or in respect of a DSU Plan Member will be paid to the DSU Plan Member or to his or her estate, as the circumstances warrant, in the form of one or two issuances of Shares on the basis of one Share for each DSU redeemed, less the Applicable Withholding Amount (as the term is defined in the DSU Plan), as soon as practicable after the applicable redemption date.

DSUs are personal and non-assignable. DSUs cannot be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the DSU Plan Member otherwise than by testate succession or the laws of descent and distribution. Any attempt to do so will cause the DSUs to be null and void. During the lifetime

of the DSU Plan Member, a vested DSU is redeemable only by the DSU Plan Member or, upon the death of a DSU Plan Member, the DSU Plan Member's estate.

### ***Limitations under the DSU Plan***

Notwithstanding any other provision of the DSU Plan:

3. the aggregate number of Shares reserved for issuance pursuant to DSUs granted under the DSU Plan and other Security Based Compensation Arrangements cannot exceed 10% of the issued and outstanding Shares as at the date of grant (on a non-diluted basis);
4. the aggregate number of Shares reserved for issuance pursuant to DSUs granted to any one individual in any 12 month period cannot exceed 1% of the issued and outstanding Shares, unless disinterested shareholder approval is obtained;
5. the aggregate number of Shares reserved for issuance pursuant to DSUs granted to Insiders (as defined in the policies of the Exchange) cannot exceed 2% of the issued and outstanding Shares, unless disinterested shareholder approval is obtained; and
6. all DSUs granted pursuant to the DSU Plan are subject to the policies of the Exchange.

### ***Adjustments***

In the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spinoff or other distribution (other than normal cash dividends) of the Company's assets to the Shareholders, or any other changes affecting the Shares, the Board can make such proportionate adjustments with respect to the number of DSUs outstanding under the DSU Plan to reflect this change or changes as it deems appropriate.

No additional DSUs will be granted to a DSU Plan Member to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a DSU Plan Member for such purpose.

### ***Dividends***

Whenever cash dividends are paid on the Shares, additional DSUs will be credited to the DSU Plan Member's account. The number of additional DSUs will be calculated by dividing (i) the dividends that would have been paid to the DSU Plan Member if the DSUs in the DSU Plan Member's account on the relevant dividend record date had been Shares; by (ii) the Market Price (as defined in the DSU Plan) at the date of payment of such dividend. Any fractional DSUs resulting from such calculation will be rounded to the nearest whole number.

### ***Amendment and Termination***

The DSU Plan can be amended or terminated at any time by the Board, except as to rights already accrued under the DSU Plan by the DSU Plan Members. Notwithstanding the foregoing, any amendment or termination of the DSU Plan will be such that the DSU Plan continuously meets the requirements of paragraph 6801(d) of the Regulations under the *Income Tax Act* (Canada) or any successor provision thereto.

### ***RSU Plan***

The RSU Plan is designed to provide certain officers and other key employees of the Company and its related entities with the opportunity to acquire RSUs in order to enable them to participate in the long-term success of

the Company and to promote a greater alignment of their interests with the interests of the Shareholders. The Compensation Committee (or such other committee as the Board may appoint) is responsible for administering the RSU Plan.

**The following is a summary of the RSU Plan and is qualified in its entirety by the full text of the RSU Plan attached as Schedule "C" to the Company's management information circular dated January 8, 2015.**

***Benefits of the RSU Plan***

The RSU Plan is designed to be an incentive for the officers and other key employees of the Company with the flexibility to provide for short-term and long-term incentive compensation based on decisions of the Compensation Committee. RSUs provide the Compensation Committee with an additional compensation tool which can be used to help retain and attract highly qualified officers and employees and further align the interests of officers and key employees with the interests of Shareholders.

***Nature and Administration of the RSU Plan***

All Employees (as defined in the RSU Plan) of the Company and its related entities ("**Eligible Persons**") are eligible to participate in the RSU Plan (as "**RSU Plan Participants**"), though the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation in the RSU Plan at any time. Eligibility to participate in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Compensation Committee can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account maintained for each RSU Plan Participant on the books of the Company as of the award date. The number of RSUs to be credited to each RSU Plan Participant's account in respect of a fiscal year shall be determined by dividing: (a) the dollar amount of the portion of the RSU Plan Participant's compensation which the Compensation Committee, in its sole discretion, determines to be paid as RSUs; by (b) the Fair Market Value (as defined in the RSU Plan) per Share on the award date or such higher price per Share as the Compensation Committee determines. Any fractional RSUs resulting from this calculation will be rounded to the nearest whole number.

Each award of RSUs vests on the date(s) (each a "**Vesting Date**") specified by the Compensation Committee on the award date and reflected in the applicable Award Notice (as defined in the RSU Plan). Additionally, the term of the RSUs shall be determined by the Compensation Committee on the date of the award of RSUs and shall not exceed ten years from the date the RSUs are awarded. Each RSU outstanding and all rights thereunder shall expire at the expiry time determined by the Compensation Committee, subject to earlier termination in accordance with the RSU Plan.

Rights and obligations under the RSU Plan can be assigned by the Company to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any corporation acquiring all or substantially all of the assets or business of the Company. The RSUs are non-transferable and non-assignable by the RSU Plan Participant. Certificates representing RSUs will not be issued by the Company.

***Resignation, Termination, Leave of Absence or Death***

Generally, if an RSU Plan Participant's employment or service is terminated, or if the RSU Plan Participant resigns from their employment with the Company, then any RSUs credited to him or her under the RSU Plan which have

not vested on or before the separation date for the RSU Plan Participant are forfeited, cancelled and terminated without payment. An RSU Plan Participant may, but only within the next 30 days following the separation date, deliver a completed Notice of Acquisition to the Company to acquire Shares for the vested RSUs, together with payment of the required exercise price.

Any vested RSUs in respect of which an RSU Plan Participant has not delivered a completed Notice of Acquisition to the Company and paid the required exercise price shall be forfeited and cancelled effective on the 30<sup>th</sup> day following their departure and shall terminate without payment and shall be of no further force or effect from and after such time.

If an RSU Plan Participant is terminated without Cause (as defined in the RSU Plan), any RSUs which will vest within 60 days of the separation date will be deemed to have been vested on the separation date.

If an RSU Plan Participant's employment or service is terminated, within 30 days of a termination, the Compensation Committee can: (i) accelerate the vesting of all or any portion of the RSU Plan Participant's RSUs; or (ii) determine that an RSU Plan Participant will continue to be an RSU Plan Participant, but subject to such terms and conditions (including vesting) if any, established by the Compensation Committee.

If an RSU Plan Participant takes a leave of absence other than an Approved Leave of Absence (as defined in the RSU Plan), all RSUs granted to the RSU Plan Participant that have not then vested will terminate and be null and void, subject to applicable law and the Board's sole and absolute discretion to determine otherwise.

Upon the death of an RSU Plan Participant, any RSUs granted to an RSU Plan Participant which, as of the date of the death have not yet vested, immediately vest.

### ***Control Change***

In the event of a Control Change (as defined in the RSU Plan), the Compensation Committee may:

1. cause the conversion or exchange of any outstanding RSUs into or for rights or other securities of substantially equivalent value (or greater value) in any entity participating in or resulting from a Control Change; or
2. accelerate the vesting of any or all outstanding RSUs to provide that outstanding RSUs are fully vested upon (or immediately prior to) the completion of the transaction resulting in the Control Change.

If, before the completion of the Vesting Date with respect to any award of RSUs, an RSU Plan Participant's employment is terminated in circumstances where the termination occurs:

1. subsequent to a Control Change and during the Control Change Period (as defined in the RSU Plan); or
2. prior to the date on which a Control Change occurs and it is reasonably demonstrated that such termination:
  - (a) was at the request of a third party who has taken steps reasonably calculated to effect a Control Change; or
  - (b) otherwise arose in connection with or anticipation of a Control Change; and

3. such termination was for any reason whatsoever other than death or termination for Cause,

then the award shall immediately vest on the separation date and the Payment Amount shall be equal to the number of Shares determined on the separation date multiplied by the number of RSUs in the RSU Plan Participant's account.

### ***Adjustments***

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange or other change with respect to the Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to the Shareholders (other than the payment of dividends in respect of the Shares as contemplated is the RSU Plan), the account of each RSU Plan Participant and the RSUs outstanding under the RSU Plan will be adjusted in such manner, if any, as the Compensation Committee deems appropriate to preserve, proportionally, the interests of RSU Plan Participants.

### ***Discretion to Permit Vesting***

The Compensation Committee can, at any time, permit both the vesting of any or all RSUs held by an RSU Plan Participant and determine the form and terms of payment of the Payment Amount in respect of such RSUs.

### ***Limitations under the RSU Plan***

Notwithstanding any other provision of the RSU Plan:

1. the aggregate number of Shares reserved for issuance pursuant to RSUs granted under the RSU Plan and other Security Based Compensation Arrangements (as defined in the RSU Plan) cannot exceed 10% of the issued and outstanding Shares as at the date of grant (on a non-diluted basis);
2. the aggregate number of Shares reserved for issuance pursuant to RSUs granted to any one individual in any 12 month period shall not exceed 1% of the issued and outstanding Shares, unless disinterested shareholder approval is obtained;
3. the aggregate number of Shares reserved for issuance pursuant to RSUs granted to Insiders (as defined in the policies of the Exchange) shall not exceed 2% of the issued and outstanding Shares, unless disinterested shareholder approval is obtained; and
4. all RSUs granted pursuant to the RSU Plan are subject to the policies of the Exchange.

### ***Amendment, Suspension or Termination of Plan***

Subject to applicable law, the Compensation Committee can, without notice or Shareholder approval, amend, suspend or terminate the RSU Plan for any purpose which, in the good faith opinion of the Compensation Committee, may be expedient or desirable. That being said, the Compensation Committee cannot materially adversely alter or impair any rights of an RSU Plan Participant or materially increase any obligations of an RSU Plan Participant with respect to RSUs previously awarded under the RSU Plan without the consent of the affected RSU Plan Participant.

If the RSU Plan is terminated or suspended, no new RSUs will be credited to the account of RSU Plan Participants. Previously credited RSUs will remain outstanding but will not be entitled to Dividend Equivalents (as such term

is defined in the RSU Plan) following suspension or termination unless at the time of suspension or termination the Compensation Committee determines the entitlement to Dividend Equivalents should be continued.

The Compensation Committee shall not require the consent of any affected RSU Plan Participant in connection with a termination of the RSU Plan in which the vesting of all RSUs held by the RSU Plan Participant are accelerated and the Payment Amount (less Applicable Withholding Amount) is paid to the RSU Plan Participant in respect of all such RSUs.

The RSU Plan will terminate on the date upon which no further RSUs remain outstanding provided that such termination is confirmed by a resolution of the Compensation Committee.

### **Perquisites and Personal Benefits**

Named Executive Officers who are employees of the Company are eligible to participate in the Company's various benefit programs on the same basis as other employees of the Company. Those Named Executive Officers receive the following perquisites and personal benefits: a corporate contribution to the employee's registered retirement savings account at an amount equal to 5% of the employee's base salary; and participation in the Company's group benefit plan, which includes the payment by the Company of life insurance premiums for an insured benefit equal to one times salary, accidental death and dismemberment insurance coverage for an insured benefit equal to one times salary and dental and extended health coverage for the employee and his or her immediate family. For information regarding perquisites and personal benefits relating to specific Named Executive Officers, see "*Summary Compensation Table – Discussion – Employment Agreements*". While these perquisites and personal benefits do not significantly affect the Company's decisions about other elements of compensation, the Compensation Committee considers such perquisites and personal benefits necessary to attract highly qualified individuals at the executive level.

### **Termination and Change of Control Provisions**

All of the Named Executive Officers have termination and change of control provisions in their employment agreements. The events that trigger payment under these arrangements were determined through negotiation of such employment agreements at the time they were entered into. See also "*Employment Agreements*" and "*Termination and Change of Control Benefits*" below.

## **SUMMARY COMPENSATION TABLE**

The following table (presented in accordance with Form 51-102F6V – Statement of Executive Compensation ("**Form 51-102F6V**") under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") sets forth all direct and indirect compensation for, or in connection with, services provided to the Company for the fiscal years ended December 31, 2021 and December 31, 2020 in respect of the Chief Executive Officer, the Chief Financial Officer and the other two most highly compensated executive officers of the Company (the "**Named Executive Officers**").

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee or retainer	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Scott Nelson	2021	\$260,000	\$-	\$-	\$12,000	\$18,586	\$290,586
<i>Former President and Chief Executive Officer; Former Director</i>	2020 Note 1,2,3,4	\$276,200	\$50,000	\$-	17,900	\$29,900	\$374,000
Ingrid Meger	2021	\$28,200	\$-	\$-	\$-	\$-	\$28,200
<i>Vice President, Finance and Chief Financial Officer</i>	Note 5						
Hansine Ullberg	2021	\$85,275	\$-	\$-	\$-	\$3,702	\$88,977
<i>Former Vice President, Finance and Chief Financial Officer</i>	Note 6						
Jennifer Kaufield	2021	\$117,206	\$-	\$-	\$-	\$4,283	\$121,489
<i>Former Vice President, Finance and Chief Financial Officer</i>	2020 Note 1,3,7	\$171,900	\$30,000	\$-	\$-	\$9,700	\$211,600
Kevin Moran	2021	\$275,000	\$-	\$-	\$-	\$21,850	\$296,850
<i>Executive Vice President and Chief Technology Officer</i>	2020 Note 1,3	\$243,000	\$50,000	\$-	\$-	\$18,900	\$311,900
Niel Erasmus	2021	\$220,000	\$-	\$-	\$-	\$18,642	\$238,642
<i>Vice President, Mineral Sands</i>	2020 Note 1,3	\$195,300	\$40,000	\$-	\$-	\$15,000	\$250,300

## Notes:

- (1) In response to the uncertainty created by the COVID-19 pandemic and the resulting economic uncertainties, the Company implemented salary reductions in the range of 15% to 20% effective April 1, 2020. The salaries noted above reflect the actual amount of salary paid in cash. In addition, there were

no RSUs issued to management during the years ended December 31, 2020 and 2021 due to equity plan constraints.

- (2) Scott Nelson was entitled to a \$12,000 per year vehicle allowance in addition to a registered retirement savings plan entitlement representing 5% of base pay. Mr. Nelson did not receive any compensation in his role as a director of the Company.
- (3) For the year ended December 31, 2020, the Board awarded: (i) Mr. Nelson a retention payment of \$50,000, which was paid in cash; (ii) Ms. Kaufield a retention payment of \$60,000, of which \$30,000 was paid in cash and \$30,000 was to be settled in RSUs; (iii) Mr. Moran a retention payment of \$100,000, of which \$50,000 was paid in cash and \$50,000 was to be settled in RSUs; and (iv) Mr. Erasmus a retention payment of \$40,000, which was paid in cash.  
As described previously, there was insufficient headroom in the RSU plan to issue additional awards in order to satisfy the non cash component of these 2020 bonus amounts. As a result, the amounts were recorded as a deferred compensation liability. This outstanding liability was settled with cash payment in January 2022 from the proceeds of the equity issuance. These amounts will appear in the 2022 pay of the NEO's.
- (4) Mr. Nelson retired from the position of President and Chief Executive Officer of the Company effective March 31, 2022. He received a retiring allowance of \$200,000, which will be reported with his 2022 compensation. He has entered into a long term consulting agreement with the Company, where he will provide consulting services at a rate of \$115,000 per annum. The agreement will conclude in February 2025.
- (5) Ms. Meger joined the Company as Vice President, Finance and Chief Financial Officer on November 1, 2021.
- (6) Ms. Ullberg joined the Company as Vice President, Finance and Chief Financial Officer on June 1, 2021 and resigned effective November 1, 2021.
- (7) Ms. Kaufield retired from the position of Vice President, Finance and Chief Financial Officer of the Company effective June 1, 2021.

### **Discussion**

Significant factors necessary to understand the information disclosed in the Summary Compensation Table above include the terms of each Named Executive Officer's employment/consulting agreement.

### **Employment Agreements**

**Scott Nelson** – The Company entered into an employment agreement with Scott Nelson as President and Chief Executive Officer effective January 1, 2010. Pursuant to this agreement, Mr. Nelson's employment could continue indefinitely until terminated in accordance with the terms of the employment agreement. Mr. Nelson's annual base salary under the agreement was \$300,000, which was been reviewed annually and may, in the discretion of the Board, be increased. On October 31, 2011, it was determined by the Company that Mr. Nelson's base pay was increased to \$325,000 per annum effective January 1, 2012. Effective May 1, 2015, as a part of the Company's cost savings measures, Mr. Nelson voluntarily elected to receive 20% of his annual salary in the form of RSUs, which amount was agreed to be paid quarterly. Effective January 1, 2018, the Compensation Committee determined that Mr. Nelson would receive \$31,250 of his annual salary in the form of RSUs, which amount was agreed to be paid quarterly. The Company reached its RSU 2% limit during the fiscal year of 2018 and Mr. Nelson received \$23,400 in the form of RSUs. Effective January 1, 2019 the Company determined that it would reinstate Mr. Nelson's base salary to \$325,000. Effective April 1, 2020, Mr. Nelson voluntarily reduced his salary by 20% in response to the uncertainty created by the COVID-19 pandemic and the resulting economic uncertainties.

Mr. Nelson was eligible for an annual bonus of up to 65% of his annual base salary. The granting and amount of any such annual bonus is in the sole discretion of the Board.

As Chief Executive Officer, Mr. Nelson's specific objectives were set annually and reviewed by the Compensation Committee. For the fiscal year ended December 31, 2021, such specific objectives included developing strategic and annual business plans; program formulation and advancement of the Company's commercialization and implementation of its technology at an oil sands site; arranging grant funding for research and development and engineering programs; managing programs to budget targets and reducing overhead costs.

The Company could immediately terminate Mr. Nelson's employment for "Cause" as that term is defined in the agreement. The agreement also provides that Mr. Nelson can resign on 90 days advance written notice. The Company may also terminate the agreement at any time for any reason other than "Cause" but termination payments are required. See "*Termination and Change of Control Benefits*" below.

Effective March 31, 2022, Mr. Nelson retired as President and Chief Executive Officer of the Company. He has entered into a consulting agreement with the Company to provide services through February 2025, at a rate of \$115,000 per annum.

**Ingrid Meger** – The Company entered into a consulting agreement with Ingrid Meger as Vice President, Finance and Chief Financial Officer effective November 1, 2021. The consulting agreement provides for ongoing professional fees, continuing indefinitely, until terminated in accordance with the agreement. Ms. Meger's compensation is based upon an hourly rate of \$150.00. The granting of any additional pay in the form of a bonus or service award, is at the sole discretion of the Board.

The consulting agreement may be terminated by the Company on ninety days' written notice or payment of the equivalent amount of consulting fees in lieu thereof.

**Hansine Ullberg** – The Company entered into a consulting agreement with Hansine Ullberg as Vice President, Finance and Chief Financial Officer effective June 1, 2021. The consulting agreement provided for ongoing professional fees, continuing indefinitely, until terminated in accordance with the agreement. Ms. Ullberg's compensation was based upon an hourly rate of \$150.00. The consulting agreement was terminable by the Company on one hundred and twenty (120) days' written notice or payment of the equivalent amount of consulting fees in lieu thereof.

Effective November 1, 2021, Ms. Ullberg resigned as the Vice President, Finance and Chief Financial Officer of the Company.

**Jennifer Kaufield** – The Company entered into an employment agreement with Jennifer Kaufield as Vice President, Finance and Chief Financial Officer effective March 1, 2010. The agreement provided that her employment would continue indefinitely until terminated in accordance with the agreement. Ms. Kaufield's compensation was based on a daily rate of \$960 since 2011, which was reviewed annually thereafter. Effective September 1, 2016, the Company amended Ms. Kaufield's employment agreement to, *inter alia*, provide for: (i) her to receive 20% of her annual salary in the form of RSUs, which amount was agreed to be paid quarterly; and (ii) her eligibility for an annual bonus of up to 40% of her daily salary aggregated over a 12 month period.

Effective January 1, 2018, the Compensation Committee determined that Ms. Kaufield's hourly effective rate would be \$138 per hour and would be paid in cash. The granting and amount of any annual bonus was in the

sole discretion of the Board. Ms. Kaufield was entitled to receive vacation pay equal to 5% of the daily salary paid and a monthly payment by the Company of a contribution to her retirement savings plan in an annual amount that is equal to 5% of the daily salary paid.

Under the terms of the employment agreement, the Company could immediately terminate Ms. Kaufield's employment for "Just Cause" (as that term is defined in her employment agreement). The employment agreement further provides that, if the Company should terminate Ms. Kaufield's employment for "Just Cause", she would be paid her daily salary earned for services rendered up to and including the termination date, plus any accrued vacation pay and reimbursable expenses owing up to and including the termination date.

Subsequent to the year ended August 31, 2015, the Board approved an amendment to Ms. Kaufield's employment agreement to provide for a retiring allowance equal to 12 months of her annual aggregate daily salary as at the termination date if her employment was terminated for any reason other than for "Just Cause". The agreement also provided that Ms. Kaufield could resign on 90 days advance written notice.

Effective June 1, 2021, Ms. Kaufield retired as the Vice President, Finance and Chief Financial Officer of the Company. She continued on as an employee until March 31, 2022 to provide transition services and support the Company under the terms of a separate employment arrangement.

**Kevin Moran** – The Company entered into an employment agreement with Kevin Moran as Vice President, Process Development effective June 30, 2008. The agreement provides that his employment shall continue indefinitely until terminated in accordance with the agreement. Mr. Moran's initial annual base salary of \$275,000 was effective October 1, 2015. Effective April 1, 2020 Mr. Moran's salary was reduced by 15% in response to the uncertainty created by the COVID-19 pandemic and the resulting economic uncertainties. Effective January 1, 2021 Mr. Moran's base salary of \$275,000 was reinstated. Mr. Moran's annual base salary is reviewed annually and may, in the discretion of the Board, be increased.

Mr. Moran is eligible for an annual bonus of up to 40% of his annual base salary. The granting and amount of any such annual bonus is in the sole discretion of the Board. Specific achievement objectives are set and reviewed annually. For the fiscal year ended December 31, 2021, such objectives included technical management and advancement of engineering and validation programs; achievement and testing of viable technical solutions; and planning and execution of commercialization plans. In January 2022, the deferred compensation owed to Mr. Moran was settled in cash as part of the Transactions.

Mr. Moran is also entitled to a monthly payment by the Company of a contribution to his registered retirement savings plan in an annual amount that is equal to 5% of his annual base salary.

The Company may immediately terminate Mr. Moran's employment for "Just Cause" as that term is defined in the agreement. The agreement also provides that Mr. Moran can resign on 90 days advance written notice. The Company may also terminate the agreement at any time for any reason other than "Just Cause" but termination payments are required. See "*Termination and Change of Control Benefits*" below.

**Niel Erasmus** – The Company entered into an employment agreement with Niel Erasmus as Vice President, Mineral Sands effective June 15, 2017. The agreement provides that his employment shall continue indefinitely until terminated in accordance with the agreement. Mr. Erasmus' annual base salary of \$220,000 has been in place since January 1, 2019. Effective April 1, 2020, Mr. Erasmus's salary was reduced by 15% in response to the uncertainty created by the COVID-19 pandemic and the resulting economic uncertainties. Effective January 1,

2021 Mr. Erasmus's base salary of \$220,000 was reinstated.

Mr. Erasmus is eligible for an annual bonus of up to 30% of his annual base salary. The granting and amount of any such annual bonus is in the sole discretion of the Board. Specific achievement objectives will be set and reviewed annually. For the fiscal year ended December 31, 2021, such objectives included the management of the Company's validation and optimization engineering activities.

Mr. Erasmus is also entitled to a monthly payment by the Company of a contribution to his registered retirement savings plan in an annual amount that is equal to 5% of his annual base salary.

The Company may immediately terminate Mr. Erasmus' employment for "Just Cause" as that term is defined in the agreement. The agreement also provides that Mr. Erasmus can resign on 90 days advance written notice. The Company may also terminate the agreement at any time for any reason other than "Just Cause" but termination payments are required. See "*Termination and Change of Control Benefits*" below.

### INCENTIVE PLAN AWARDS - OUTSTANDING OPTION BASED AWARDS

The following table sets forth for each Named Executive Officer all awards outstanding as at the end of the most recently completed fiscal year, including awards granted before the most recently completed fiscal year.

Option-based Awards					
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Market or payout value of vested awards not paid out or distributed (\$) <sup>(4)</sup>
Scott Nelson <sup>(5)</sup> <i>President and Chief Executive Officer</i>	10,280	0.0001 <sup>(3)</sup>	October 1, 2028	N/A	\$252,727
	9,301	0.0001 <sup>(3)</sup>	June 30, 2028	N/A	
	8,401	0.0001 <sup>(3)</sup>	March 31, 2028	N/A	
	128,375	0.0001 <sup>(3)</sup>	January 2, 2028	N/A	
	15,273	0.0001 <sup>(3)</sup>	December 1, 2027	N/A	
	15,388	0.0001 <sup>(3)</sup>	September 1, 2027	N/A	
	21,382	0.0001 <sup>(3)</sup>	June 1, 2027	N/A	
	35,022	0.0001 <sup>(3)</sup>	March 1, 2027	N/A	
	324,219	0.0001 <sup>(3)</sup>	December 29, 2026	N/A	
	40,625	0.0001 <sup>(3)</sup>	December 1, 2026	N/A	
	31,738	0.0001 <sup>(3)</sup>	September 1, 2026	N/A	
	16,601	0.0001 <sup>(3)</sup>	June 1, 2026	N/A	
	300,000 <sup>(1)</sup>	1.07	April 21, 2022	Nil <sup>(2)</sup>	
	300,000 <sup>(1)</sup>	0.80	April 30, 2023	Nil <sup>(2)</sup>	
200,000 <sup>(1)</sup>	0.69	June 9, 2024	Nil <sup>(2)</sup>		
Kevin Moran <i>Executive Vice President and Chief Technology Officer</i>	185,660	0.0001 <sup>(3)</sup>	January 3, 2029	N/A	\$201,309
	33,333	0.0001 <sup>(3)</sup>	January 2, 2028	N/A	
	108,759	0.0001 <sup>(3)</sup>	July 25, 2027	N/A	
	177,237	0.0001 <sup>(3)</sup>	August 2, 2026	N/A	
	18,027	0.0001 <sup>(3)</sup>	October 21, 2025	N/A	
	250,000 <sup>(1)</sup>	1.07	April 21, 2022	Nil <sup>(2)</sup>	
	200,000 <sup>(1)</sup>	0.80	April 30, 2023	Nil <sup>(2)</sup>	
	150,000 <sup>(1)</sup>	0.69	June 9, 2024	Nil <sup>(2)</sup>	

Option-based Awards					
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Market or payout value of vested awards not paid out or distributed (\$) <sup>(4)</sup>
Ingrid Meger <sup>(6)</sup> <i>Vice President, Finance and Chief Financial Officer</i>	Nil	N/A	N/A	N/A	N/A
Hansine Ullberg <sup>(7)</sup> <i>Former Vice President, Finance and Chief Financial Officer</i>	Nil	N/A	N/A	N/A	N/A
Jennifer Kaufield <sup>(8)</sup> <i>Former Vice President, Finance and Chief Financial Officer</i>	141,038 66,667 8,214 5,379 8,750 16,853 166,667 4,664 150,000 <sup>(1)</sup> 200,000 <sup>(1)</sup> 150,000 <sup>(1)</sup>	0.0001 <sup>(3)</sup> 0.0001 <sup>(3)</sup> 0.0001 <sup>(3)</sup> 0.0001 <sup>(3)</sup> 0.0001 <sup>(3)</sup> 0.0001 <sup>(3)</sup> 0.0001 <sup>(3)</sup> 0.0001 <sup>(3)</sup> 1.07 0.80 0.69	January 3, 2029 January 2, 2028 December 1, 2027 September 1, 2027 June 1, 2027 March 1, 2027 December 29, 2026 December 1, 2026 April 21, 2022 April 30, 2023 June 9, 2024	N/A N/A N/A N/A N/A N/A N/A N/A Nil <sup>(2)</sup> Nil <sup>(2)</sup> Nil <sup>(2)</sup>	\$160,977
Niel Erasmus <i>Vice President, Mineral Sands</i>	41,667 200,000 <sup>(1)</sup> 200,000 <sup>(1)</sup> 150,000 <sup>(1)</sup>	0.0001 <sup>(3)</sup> 1.37 0.80 0.69	January 2, 2028 July 25, 2022 April 30, 2023 June 9, 2024	N/A Nil Nil <sup>(2)</sup> Nil <sup>(2)</sup>	\$16,041

## Notes:

- (1) Vesting of such options occurs over three years with one-third vesting every 12 months following the date of grant.
- (2) The value of unexercised options was calculated using the closing price of the Shares on December 31, 2021, which was \$0.385 per Share, less the exercise price of the options.
- (3) As the RSUs issued after February 12, 2015 require an exercise price to be paid prior to issuance, such RSUs have been classified as "option-based awards" for the purposes of this Statement of Executive Compensation since the RSUs have "option-like features" for the purposes of the definition of "option-based awards" in Form 51-102F6.  
RSU's awarded prior to February 12, 2015 were treated as Share Based Awards. There are no share based awards, vested or unvested, that are outstanding at December 31, 2020 or 2021.
- (4) The value of RSUs was calculated using the closing price of the Shares on December 31, 2021, which was \$0.385 per Share.

- (5) Mr. Nelson retired from the position of President and Chief Executive Officer effective March 31, 2022.
- (6) Ms. Meger joined the Company as Vice President, Finance and Chief Financial Officer on November 1, 2021.
- (7) Ms. Ullberg joined the Company as Vice President, Finance and Chief Financial Officer on June 1, 2021 and resigned effective November 1, 2021.
- (8) Ms. Kaufield retired from the position of Vice President, Finance and Chief Financial Officer of the Company effective June 1, 2021.
- (9) On January 18, 2022, the Board of Directors granted 4,500,000 stock options to directors and officers of the Company. The exercise price of the stock options is \$0.46 per share, with specific performance and market based criteria required for vesting to occur. The share price at the grant date was \$0.46 per share, and the stock options have a term to expiry of 5 years. Mr. Moran and Mr. Erasmus were granted 200,000 options each, and Ms. Meger was granted 100,000 options.

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

The following table sets forth details of the value vested or earned during the most recently completed fiscal year for each incentive plan award.

<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards - Value vested during the year (\$)<sup>(1)</sup></b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
Scott Nelson <i>Former President and Chief Executive Officer<sup>(2)</sup></i>	Nil	N/A	Nil
Ingrid Meger <sup>(3)</sup> <i>Vice President, Finance and Chief Financial Officer</i>	Nil	N/A	Nil
Hansine Ullberg <sup>(4)</sup> <i>Former Vice President, Finance and Chief Financial Officer</i>	Nil	N/A	Nil
Jennifer Kaufield <sup>(5)</sup> <i>Former Vice President, Finance and Chief Financial Officer</i>	Nil	N/A	Nil
Kevin Moran <i>Executive Vice President and Chief Technology Officer</i>	Nil	N/A	Nil
Niel Erasmus <i>Vice President, Mineral Sands</i>	Nil	N/A	Nil

#### Notes:

- (1) As the RSUs issued after February 12, 2015 require an exercise price to be paid prior to issuance, the RSUs have been classified as "option-based awards" for the purposes of this Statement of Executive Compensation since the RSUs have "option-like features" for the purposes of the definition of "option-

based awards" in Form 51-102F6.

- (2) Mr. Nelson retired from the position of President and Chief Executive Officer effective March 31, 2022.
- (3) Ms. Meger joined the Company as Vice President, Finance and Chief Financial Officer on November 1, 2021.
- (4) Ms. Ullberg joined the Company as Vice President, Finance and Chief Financial Officer on June 1, 2021 and resigned effective November 1, 2021.
- (5) Ms. Kaufield retired from the position of Vice President, Finance and Chief Financial Officer of the Company effective June 1, 2021.

### **Discussion**

The significant terms of all compensation security plan based awards, including non-equity incentive plan awards, issued or vested during the year, or outstanding at year end, are set out above under the heading "*Compensation Discussion and Analysis*".

### **Pension Plan Benefits**

The Company does not have a defined benefit plan or a defined contribution plan for any of its executive officers, nor does it have a deferred compensation plan for any of its executive officers.

### **Termination and Change of Control Benefits**

The following contracts, agreements, plans and arrangements provide for payments to the applicable Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in such Named Executive Officers' responsibilities:

**Kevin Moran** – If Mr. Moran's employment is terminated other than for "Just Cause" as that term is defined in his employment agreement, the Company is required to pay Mr. Moran: (i) the pro rata annual base salary to the date of termination; (ii) all accrued and unused vacation pay and reimbursable expenses owing to date of termination; and (iii) a retiring allowance equal to 12 months of his annual base salary as at the termination date.

**Niel Erasmus** – If Mr. Erasmus' employment is terminated other than for "Just Cause" as that term is defined in his employment agreement, the Company is required to pay Mr. Erasmus: (i) the pro rata annual base salary to the date of termination; (ii) all accrued and unused vacation pay and reimbursable expenses owing to date of termination; and (iii) a retiring allowance equal to 6 months of his annual base salary as at the termination date plus the average of any annual bonuses awarded to Mr. Erasmus in the two full calendar years prior to the calendar year in which the termination date falls.

**Ingrid Meger** – If Ms. Meger's contract is terminated by the Company other than with ninety days' prior written notice, the Company is required to pay the equivalent amount of consulting fees in lieu thereof.

For illustrative purposes, if these Named Executive Officers had been terminated on December 31, 2021, the following amounts would have been payable:

<b>Name</b>	<b>Aggregate amount payable for base salary<sup>(1)</sup></b>	<b>Aggregate amount payable for bonus</b>	<b>Aggregate amount payable for perquisites and benefits</b>	<b>Option-based awards – Assuming all awards vested<sup>(2)</sup></b>	<b>Total</b>
Scott Nelson <sup>(3)</sup> <i>President and Chief Executive Officer</i>	\$622,917	Nil	Nil	Nil	\$622,917
Ingrid Meger <sup>(4)</sup> <i>Vice President, Finance and Chief Financial Officer</i>	\$40,725	Nil	Nil	Nil	\$40,725
Hansine Ullberg <sup>(5)</sup> <i>Former Vice President, Finance and Chief Financial Officer</i>	Nil <sup>(5)</sup>	Nil	Nil	Nil	Nil <sup>(5)</sup>
Jennifer Kaufield <sup>(6)</sup> <i>Former Vice President, Finance and Chief Financial Officer</i>	Nil <sup>(6)</sup>	Nil	Nil	Nil	Nil <sup>(6)</sup>
Kevin Moran <i>Vice President and Chief Technology Officer</i>	\$275,000	Nil	Nil	Nil	\$275,000
Niel Erasmus <i>Vice President, Mineral Sands</i>	\$110,000	Nil	Nil	Nil	\$110,000

## Notes:

- (1) As at December 31, 2021, the following represented each applicable member of Management's aggregate deferred compensation amounts, which would need to be settled upon such person's termination: Scott Nelson \$108,500; Kevin Moran \$135,000; Jennifer Kaufield \$96,000. In January 2022, all outstanding deferred compensation owed by the Company to the Named Executive Officers was settled in cash as part of the Transactions.
- (2) The value of option-based awards was calculated using the closing price of the Shares on December 31, 2021, which was \$0.385 per Share, less the exercise price of the option-based awards. The table disclosure above provides the value of each Named Executive Officer's option-based awards should they vest upon a change of control, assuming that the Board has determined that such vesting of all option-based awards should occur. Such accelerated vesting is not provided for under the Name Executive Officers' employment agreements on termination, but may, at the discretion of the Board and on such terms as the Board sees fit, occur on a change of control. On the occurrence of a change in control, the

Board may determine to accelerate the vesting of none or only some of the Named Executive Officers' option-based awards.

- (3) Mr. Nelson retired from the position of President and Chief Executive Officer effective March 31, 2022.
- (4) Ms. Meger joined the Company as Vice President, Finance and Chief Financial Officer on November 1, 2021.
- (5) Ms. Ullberg joined the Company as Vice President, Finance and Chief Financial Officer on June 1, 2021 and resigned effective November 1, 2021.
- (6) Ms. Kaufield retired from the position of Vice President, Finance and Chief Financial Officer of the Company effective June 1, 2021.

## DIRECTOR COMPENSATION

### Director Compensation Table

The following table sets forth all amounts of compensation provided to the Non-Management Directors for the Company's most recently completed financial year.

Name	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$) <sup>(2)</sup>	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total (\$)
David Macdonald <sup>(4)</sup> (Former Non-Executive Chair)	116,000	-	-	-	-	-	116,000
Bruce Griffin	89,750	-	-	-	-	-	89,750
Moss Kadey	53,750	-	-	-	-	-	53,750
Brant Sangster <sup>(3)</sup>	68,250	-	-	-	-	-	68,250
John W. Stevens <sup>(4)</sup>	95,750	-	-	-	-	-	95,750

#### Notes:

- (1) For the years ended December 31, 2020 and 2021, there was insufficient room under the DSU Plan to settle compensation with Non-Management Directors. As a result, the Board resolved to defer the payment of \$360,500 and \$423,500 in compensation to the Non-Management Directors (the "**Director Compensation Deferral**") for the years ended December 31, 2020 and 2021, respectively. In January 2022, all outstanding deferred compensation owed by the Company to directors was settled in cash, using the proceeds of the \$5 million equity issuance. No stock options were granted to Non-Management Directors in respect of the year ended December 31, 2021.
- (2) As at December 31, 2021, non-Management directors had made elections under the DSU Plan to receive 100% of their applicable retainers and fees on a quarterly basis in DSUs in lieu of cash payments;

however, in January 2022, all outstanding deferred compensation owed by the Company to directors was settled in cash as part of the Transactions. See "*Discussion – Board Fees*" below.

- (3) Mr. Sangster retired from the Board effective December 19, 2021.
- (4) Messrs. Macdonald and Stevens retired from the Board effective January 12, 2022.

### ***Discussion***

Significant factors necessary to understand the information disclosed in the Director Compensation Table above include board fees and DSUs.

#### *Board Fees*

During the fiscal year ended December 31, 2021, as a result of the Company having reached the maximum number of DSUs issuable under the DSU Plan during the year-ended December 31, 2020, no further DSUs could be issued to Non-Management Directors as payment of their respective annual compensation entitlements. To reflect the fact no DSUs were available to be issued, the Board elected to increase compensation payable to directors by 25%, such that each of the Non-Management Directors was entitled to an annual retainer in the amount of \$31,250 and the payment of \$1,500 per meeting in connection with attending meetings of the Board and meetings of the Board's committees. The Non-Executive Chair of the Board was entitled to additional annual compensation in the amount of \$25,000. The Chair of the: (i) Audit Committee was entitled to additional annual compensation in the amount of \$12,500; (ii) Compensation Committee was entitled to additional annual compensation in the amount of \$10,000; and (iii) the Chair of the Commercialization Committee, which was decommissioned by the Board on January 18, 2022, was entitled to additional annual compensation of \$37,500.

On January 18, 2022, the Board resolved to set director fees for non-executive directors at \$30,000 annually payable in cash, which represents an aggregate reduction in fees payable to the Board of approximately \$250,000 annually. In addition, the Board determined that no additional fees will be paid to directors who serve as Chair of the Board or on Committees of the Board and that a consulting fee of \$1,200 per day may be paid to directors for additional non-Board activities that the Company may request them to perform from time to time, subject to the prior approval of the Board.

#### *DSUs*

The Company adopted the DSU Plan on December 15, 2013 and the DSU Plan was approved by Shareholders at the annual and special meeting held January 23, 2014 and was subsequently amended, such amendments being approved by Shareholders at the annual and special meeting held February 12, 2015. The purpose of the DSU Plan is to promote the alignment of interests between directors and Shareholders while enabling the Non-Management Directors to participate in the long-term success of the Company through the grant of DSUs.

A summary of the DSU Plan is included in this Circular under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – DSU Plan*".

### ***Other Information***

There were no changes to, or any repricing of, the terms of the DSU Plan during the fiscal year ended December 31, 2021.

Other than as described below, the Company did not have any other share based or option based award programs for Non-Management Directors in place during the fiscal year ended December 31, 2021.

## INCENTIVE PLAN AWARDS FOR DIRECTORS

### Outstanding Option Based Awards and Share Based Awards

The following table sets forth for each Non-Management Director all awards outstanding at the end of the most recently completed fiscal year, including awards granted before the most recently completed fiscal year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(2)</sup>
David Macdonald <sup>(5)</sup>	50,000 75,000 50,000	0.69 0.80 1.07	June 9, 2024 April 30, 2023 April 21, 2022	Nil - Nil	Nil	Nil	249,508
Bruce Griffin	75,000	0.67	August 7, 2023	Nil	Nil	Nil	12,690
Moss Kadey	35,000 50,000 50,000	0.69 0.80 1.07	June 9, 2024 April 30, 2023 April 21, 2022	Nil	Nil	Nil	130,044
Brant Sangster <sup>(3)</sup>	35,000 50,000 50,000	0.69 0.80 1.07	June 9, 2024 April 30, 2023 April 21, 2022	Nil	Nil	Nil	180,104
John W. Stevens <sup>(4)</sup>	35,000 50,000 50,000	0.69 0.80 1.07	June 9, 2024 April 30, 2023 April 21, 2022	Nil	Nil	Nil	108,956

Notes:

- (1) Vesting of such options occurs over three years with one-third vesting every 12 months following the date of grant.
- (2) The value of the securities was calculated using the closing price of the Shares on December 31, 2021, which was \$0.385 per Share.
- (3) Mr. Sangster retired from the Board effective December 19, 2021.
- (4) Messrs. Macdonald and Stevens retired from the Board effective January 12, 2022.

### *Incentive Plan Awards – Value Vested or Earning During the Year*

The following table sets forth details of the value vested or earned by each Non-Management Director during the most recently completed fiscal year for each incentive plan award.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$) <sup>(1)</sup>	Non-equity incentive plan compensation - Value earned during the year (\$)
David Macdonald <sup>(3)</sup>	Nil	Nil	Nil
Bruce Griffin	Nil	Nil	Nil
Moss Kadey	Nil	Nil	Nil
Brant Sangster <sup>(2)</sup>	Nil	Nil	Nil
John W. Stevens <sup>(3)</sup>	Nil	Nil	Nil

## Notes:

- (1) Non-Management Directors made elections under the DSU Plan to receive 100% of their applicable retainers and fees on a quarterly basis in DSUs in lieu of cash payments until December 31, 2021. See "Discussion – Board Fees" above. No DSUs vested during the year-ended December 31, 2021. In January 2022, all outstanding deferred compensation owed by the Company to directors was settled in cash as part of the Transactions, including the Director Compensation Deferral.
- (2) Mr. Sangster retired from the Board effective December 19, 2021.
- (3) Messrs. Macdonald and Stevens retired from the Board effective January 12, 2022.

**Discussion**

The significant terms of all plan based awards, including equity incentive plan awards, issued or vested, or under which options have been exercised, during the year, or outstanding at year end, are set out above in the Compensation Discussion and Analysis. No outstanding options held by directors were exercised during the financial year ended December 31, 2021.

Generally, each year the Board considers whether to grant additional options and/or DSUs to the directors. However, there are no definitive arrangements and such consideration is done after review, consideration and recommendation by the Compensation Committee.

**Directors' and Officers' Liability Insurance and Indemnification**

The Company maintains directors' and officers' liability insurance (containing industry standard exclusions and deductibles) in order to protect the Company and its directors and officers against any legal action which may arise due to alleged wrongful acts on the part of directors and officers of the Company. In addition, the Company, as provided for in the Company's by-laws, has entered into indemnity agreements with each of its directors and officers. The Board considers it desirable and in the best interests of the Company to enter into these agreements in order to set out the circumstances and manner in which the indemnified party may be indemnified in respect of certain liabilities or expenses which the indemnified party may incur as a result of acting as a director or officer of the Company.

**Succession Planning**

Attracting, developing and retaining a talented and experienced management team is critical to CVW CleanTech's success. The Board, in conjunction with the Compensation Committee, is responsible for reviewing, approving and implementing succession planning processes for Management, including the Chief Executive Officer, and for ensuring that criteria and processes are in place to identify, develop, appoint and retain senior executives that fit the Company's strategic and operational needs as its business evolves. Succession planning involves two core objectives: (i) to evaluate and determine the Company's strategic and operational needs going forward, and (ii) to identify, develop, appoint and retain senior executives, including the Chief Executive Officer,

and key employees to meet those needs.

In developing its succession plans, the Board has focused on two distinct time periods – the period leading up to commercialization during which the activity streams required to enable a commercialization decision to be reached are undertaken and completed (“**Pre-Commercialization Phase**”) and the period after an investment decision is made which leads to engineering, procurement, construction and operations (“**Post-Commercialization Phase**”). During the Pre-Commercialization Phase, the Board’s focus continues to be on ensuring the development, retention and full engagement of its senior management team. This reflects the intensity of the work activities currently underway, the current state of the Company’s progress towards commercialization, the relative uniqueness of the experience and expertise developed within the team and the fact the Company’s senior management team is small and functionally organized, with limited overlap.

The Board has encouraged, and the Chief Executive Officer has actively sought, ways to provide senior management with development opportunities, mentorship and enhanced responsibilities outside their core functional responsibilities to help accelerate their professional growth, to ensure a level of shared knowledge and experience and to build multiple customer, supplier and Government relationships across the senior management team. In both phases the Board considers it essential for both management and the Board to have the skill sets, reputation, and corresponding experience to communicate and work effectively with the Company's major partner.

Succession planning continues to be an area of importance for the Company and the Board. The Board is continuing its work to develop succession plans for senior management, including considerations for the future role of President and Chief Executive Officer. This plan is also expected to: (i) identify areas where additional management resources will be required as the Company moves to the Post-Commercialization Phase; (ii) identify the attributes, skills, experience and relationships required to meet the Company's new strategic, operational, partner and investor needs; and (iii) develop processes to identify, attract and appoint strong, qualified, candidates to fill the roles so identified.

The Board, in conjunction with the Compensation Committee, will continue to review whether and how the size, composition and structure of the Board might be changed as the Company moves to the Post-Commercialization Phase, to ensure that it has the skills, experience, relationships and structure to provide effective oversight of management and, where appropriate, to assist management in achieving the Company's objectives. The Company has not adopted any Board term limits or other specific mechanisms for Board renewal (see "*Statement of Corporate Governance Practices – Nomination of Directors*").

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

Other than routine indebtedness, no current or former director, officer or employee of the Company or any of its subsidiaries, proposed nominee for election as a director of the Company or any associate or affiliate of any director, officer, employee or proposed nominee is, or at any time during the most recently completed financial year was, indebted to the Company or any of its subsidiaries (in connection with a purchase of securities or otherwise) or to another entity where the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Except as disclosed below and under the heading "*Statement of Executive Compensation*", no transaction has

been entered into since December 31, 2021 or is proposed to be entered into by the Company involving an officer or director of the Company, a proposed nominee for election as a director of the Company, a principal shareholder of the Company, an informed person (as such term is defined in NI 51-102) or any associate or affiliate of any such person or company which has materially affected or would materially affect the Company or any of its subsidiaries.

On January 12, 2022, the Company completed the Transactions whereby the Company issued 25,000,000 units ("Units") at a price of \$0.20 per Unit for gross proceeds of \$5,000,000 on a non-brokered and private placement basis (the "Offering"). Certain insiders of the Company subscribed for a total of 4,625,000 Units in the Offering. The Company used a portion of the net proceeds of the Offering to pay the costs of the Offering and to settle all deferred compensation owing to current and former directors and officers in the amount of approximately \$1.13 million. The balance of the net proceeds of the Offering is intended to be used to fund costs associated with the commercialization of the CVWTM process, including engineering and design costs and for general corporate purposes.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table details all compensation plans under which equity securities of the Company are authorized for issuance as at December 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants 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 <sup>(1)</sup>	3,205,000 Shares - Options 1,769,616 Shares - DSUs 1,639,520 Shares - RSUs	\$0.89 Options Nil DSUs \$0.0001 RSUs	2,103,846 Options Nil DSUs 130,096 RSUs
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>6,614,136</b>		<b>2,233,943</b>

Note:

- (1) For descriptions of the Option Plan, the DSU Plan and the RSU Plan, see "Statement of Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Long-term Incentives – Stock Option Plan", "– DSU Plan" and "– RSU Plan", respectively.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

NI 58-101 requires the Company to disclose annually in its information circular certain information relating to the Company's corporate governance practices.

### Board of Directors

The Board currently consists of six (6) directors, four of whom are currently considered by the Board to be "independent" within the meaning of National Instrument 52-110 – *Audit Committees ("NI 52-110")*, thereby facilitating the Board's exercise of independent supervision over Management.

Each of the following directors are considered by the Board to be independent: John Brussa, Bruce Griffin, Moss Kadey and John Kowal. We note that Mr. Morcombe is currently acting as the interim CEO of the Company and, upon a permanent CEO being identified by the Board, will again be considered independent for these purposes. In determining independence, the Board considers a number of factors, including, but not limited to whether any Board member's relationship with the Company could be reasonably expected to interfere with the exercise of such member's independent judgment.

### Directorships

Except as set out below, none of the Company's directors are presently a director of any other issuer that is a reporting issuer (or the equivalent) in Canada or a foreign jurisdiction.

Name	Company
John Brussa	Crew Energy Inc., Crown Capital Partners Inc., Leucrotta Exploration Inc. and Storm Resources Ltd.
Bruce Griffin	Sheffield Resources Limited
Jennifer Kaufield	TransGlobe Energy Corporation
John Kowal	Magnetic North Acquisition Corp
Darren Morcombe	Foran Mining Corporation

### Orientation and Continuing Education

The Board orients new directors by providing them with background and due diligence information, such as the minutes for the prior year's Board and Audit Committee meetings, a copy of the Exchange's Corporate Finance Manual, information respecting the Board's committees, information regarding directors' and officers' liability insurance, copies of all the Company's governance policies and a memorandum of the duties and liabilities of directors. In addition, new directors meet with the Chair, the Chief Executive Officer and members of the management team. The Board provides continuing education for directors by arranging for presentations from members of management and outside advisors and circulating materials on new issues and developments, when applicable. Management presents to and refreshes the directors on the strategic plan of the Company.

### Ethical Business Conduct

To encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") that is applicable to the Company's employees, officers and directors. The Code requires the reporting of actual or potential violations of the Code or of any law or regulation, whether committed by employees of the Company or by others associated with the Company, to the Chair of the Audit Committee, on a confidential, anonymous basis, if desired. The Audit Committee is responsible for investigating each matter so reported and for taking corrective disciplinary actions, if appropriate, up to and including termination of employment. A copy of the Code is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Nomination of Directors**

The Compensation Committee is responsible for assisting the Board in carrying out its corporate governance and nomination responsibilities. The Compensation Committee's responsibilities include formulating criteria for Board membership; canvassing Board members for possible candidates; developing a list of potential candidates, as required; and recommending to the Board proposed nominees for election to the Board.

The process of identifying new candidates generally involves the Compensation Committee determining the necessary skills required for the Board, and, when a vacancy occurs, the independent directors identifying candidates and then presenting them to the Board as a whole for consideration. The Company has not adopted any Board term limits or other specific mechanisms for Board renewal. At this time, the Board does not believe that it is in the best interest of the Company to establish term limits on a director's mandate or a mandatory retirement age. The Board is of the opinion that term limits may disadvantage the Company through the loss of beneficial contributions of directors who have developed increasing knowledge of the Company, its operations, and the industry over a period of time.

### **Compensation**

The Compensation Committee is also responsible for assisting the Board in fulfilling its oversight responsibilities with respect to human resource and compensation matters. The Compensation Committee's responsibilities include recommending to the Board for approval the remuneration of the Chief Executive Officer, including salary, bonus, options and any other incentive plan; the annual compensation budget for staff of the Company; the number of Shares to be reserved under the Security Based Compensation Arrangements; the number of securities to be granted pursuant to the Security Based Compensation Arrangements; salaries, target bonus awards, other incentive awards and options for the officers of the Company; implementation of or changes to compensation and benefits policies; and administering the Security Based Compensation Arrangements. The process for determining compensation generally involves the Compensation Committee reviewing recommendations by management, assessing general sector practices and reviewing the circumstances under which compensation is warranted. Following such considerations, the Compensation Committee recommends to the Board for approval the compensation of the Chief Executive Officer and senior executive officers, including any grants of stock options and RSUs. For more information, see "*Statement of Executive Compensation*" in this Circular.

### **Other Board Committees**

The Board presently has three standing committees being the Audit Committee, the Compensation Committee and the Corporate Governance and ESG Committee. The Corporate Governance and ESG Committee was only recently constituted by the Board and its mandate has yet to be finalized.

### ***Commercialization Committee***

Effective as of January 18, 2022, the Company's Commercialization Committee was decommissioned and is no longer in effect. All members of the Board expect to be involved in assisting the Company reach commercial status, so no additional committee was considered necessary.

As at December 31, 2021, the Company's Commercialization Committee was comprised of Bruce Griffin (Chair), John W. Stevens and David Macdonald. The Commercialization Committee's responsibilities included overseeing the strategy and activities of the Company's management in connection with the development, marketing and commercialization of its CVW™ technologies. The Commercialization Committee oversight mandate was achieved through: (i) the review, on at least an annual basis, of the Company's overall commercialization strategy

and plans; (ii) the quarterly monitoring, evaluation and advising of the Board in respect of the Company's performance relative to such strategy and working with management to redress any performance shortfalls; (iii) the review, with management, of the overall marketing strategy and plans for engaging with potential adopters of the Company's CVW™ technologies; (iv) the review, with management, of the overall strategy and plans for engaging with the federal and provincial governments on matters potentially affecting commercialization, including fiscal terms for commodities recovered from tailings, terms of grant funding programs and the submission of grant funding applications;

(v) the review and advisement of all material proposals relating to significant technology plans and commercialization made to prospective adopters of the Company's CVW™ technologies and the presentation of final proposals to the Board for approval prior to such proposals being provided to prospective adopters; and (vi) the coordination with management, when required or helpful, on the implementation of commercialization projects and the development of a process for monitoring key milestones during the implementation of commercialization projects and reporting metrics to track actual performance of commercialization projects against initial plans and expectations. Following such considerations, the Commercialization Committee reported to the Board on the activities of the Commercialization Committee and presented for approval all final commercialization project terms and agreements. For more information, see "*Statement of Executive Compensation*" in this Circular.

### **Assessments**

To satisfy itself that the Board, its committees and its individual directors are performing effectively, the Board, through the Chair, informally determines the needs of the Company as its development proceeds and considers the requisite skills and contribution of the directors at such stage of development. To assist in this assessment, the Compensation Committee has historically facilitated a process which involves a formal director's questionnaire being provided annually to each director to review the effectiveness of the Board and to assess if it is meeting its objectives. The results of the assessment are summarized by the Corporate Secretary and provided to the Chair of the Compensation Committee as well as the Chair of the Board. The Chair of the Compensation Committee presents a summary of the results to the Board as a whole, with a discussion as to how the Board can improve its effectiveness and communicates the results of the committee assessment to each committee Chair.

### **Other Governance Related Policies**

The Board has also adopted a Disclosure and Confidentiality Policy, an Investment Policy, an Insider Trading and Blackout Policy, Whistleblower Policy and Alcohol and Drug Policy.

### **Diversity Disclosure**

The Company's senior management and the members of its Board have diverse backgrounds and expertise and were selected on the belief that the Company and its stakeholders would benefit from such a broad range of talent and experiences. The Board considers merit as the key requirement for board and executive appointments, and as such, it has not adopted any target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples (First Nations, Inuit, and Métis), persons with disabilities or members of visible minorities (collectively, "**members of designated groups**") on the Board or in senior management roles.

While the Company believes that diversity is important and thus considers diversity when reviewing, identifying and nominating candidates to director or senior management positions, the Company has not adopted a written diversity policy. The Company seeks to attract and maintain diversity at the executive and board of directors

levels informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board as a whole for consideration (also see "*Statement of Corporate Governance Practices – Nomination of Directors*").

The Company currently has one woman serving in a senior management role, representing 25% of the Company's members of senior management and one member of the designated groups holding positions on the Board (17%). The following table details the Company's members of designated groups on the Board and in senior management roles as of the date hereof:

	Women		Persons with Disabilities, Indigenous Peoples & Members of Visible Minorities	
	Number	Percentage	Number	Percentage
<b>Board of Directors</b>	1	17%	0	0%
<b>Senior Management</b>	1	25%	0	0%

## AUDIT COMMITTEE INFORMATION

NI 52-110 requires the Company to disclose annually in its information circular certain information relating to the Audit Committee and its relationship with the Company's independent auditors.

### The Audit Committee's Charter

The Company's Audit Committee is governed by its audit committee charter, a copy of which is attached hereto as Schedule "A".

### Composition of the Audit Committee

As at December 31, 2021, the Company's Audit Committee was comprised of John Stevens (Chair), David Macdonald and Brant Sangster and each of such members of the Audit Committee were "financially literate" and considered "independent" as defined in NI 52-110.

Effective as of January 18, 2022, the Company's Audit Committee was reconstituted and is presently comprised of John Kowal (Chair), Darren Morcombe and Bruce Griffin. As defined in NI 52-110, each of the members of the Audit Committee is "financially literate" and is considered "independent".

Mr. Kowal has 36 years of experience in a variety of senior financial and treasury positions in several multinational companies during which Mr. Kowal has executed numerous debt and equity financings, completed several multibillion-dollar M&A transactions and has taken several companies public. Mr. Kowal holds a Bachelor of Commerce degree and a Master of Business Administration from McMaster University.

Mr. Morcombe has more than 30 years of international experience in a variety of roles in the natural resource and finance sectors and has served in senior roles in the areas of financing, treasury and mergers and acquisitions.

Mr. Griffin has held senior management positions in several pigment, mining and minerals companies, including as Senior Vice President Strategic Development of Lomon Billions Group, Chief Executive Officer and a director of TZ Minerals International Pty. Ltd. and World CVW Resources Ltd. and as Vice President CVW for BHP Billiton.

Given the scope and nature of the Company's business, its financial statements and the accounting issues arising therefrom, all of the members of the Audit Committee have an understanding of the accounting principles used by the Company to prepare its financial statements, have the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves and have experience in 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.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in section 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of the fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee reviews the engagement of non-audit services as required.

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

The fees billed by the Company's external auditor in the years ended December 31, 2019, 2020 and 2021 for audit fees are as follows:

<b>Fiscal Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2021	\$59,000	Nil	Nil	Nil
December 31, 2020	\$48,000	Nil	\$6,000	Nil
December 31, 2019	\$50,000	\$2,400	\$9,000	Nil

Services for which "Audit Related Fees" were billed during the year-ended December 31, 2019 were comprised of reviews of the Company's unaudited first, second and third quarter financial statements.

Services for which "Tax Fees" were billed comprised of fees for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning and assistance with the Company's scientific research and experimental development claims.

## **ADDITIONAL INFORMATION**

### **Name Change**

On March 8, 2022 the Shareholders approved an amendment to the Company's articles to change the Company's name to "CVW CleanTech Inc."

The Board believes that changing the name of the Company to "CVW CleanTech Inc." more accurately conveys its role as a clean technology company focussed on reducing the environmental impact of oil sand tailings and recovery of valuable heavy minerals, bitumen, solvent and water through the commercial deployment of its innovating "Creating Value from Waste" ("CVW™") technologies.

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at <https://cvwcleantech.com>. Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2021. Shareholders may contact the Chief Financial Officer at the Company's registered office to request copies of the Company's financial statements and management's discussion and analysis.

## **BOARD APPROVAL**

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

DATED this 10<sup>th</sup> day of May, 2022.

BY ORDER OF THE BOARD

*"Darren Morcombe"*

Executive Chairman and Interim Chief Executive Officer

**SCHEDULE "A"**  
**CVW CleanTech Inc.**  
**CHARTER OF THE AUDIT COMMITTEE**

The audit committee (the "**Audit Committee**") assists the Board of Directors (the "**Board**") in overseeing the financial controls and reporting of CVW CleanTech Inc. and any and all subsidiary corporations (collectively, the "**Company**"). The Audit Committee also monitors whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

**COMPOSITION AND QUORUM**

The Audit Committee is composed of a minimum of three and a maximum of five members. A majority of the members of the Audit Committee must qualify as independent directors in accordance with NI 52-110 as determined by the Board. Each member of the Audit Committee must be financially literate, capable of reading and understanding a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one member of the Audit Committee must have accounting or related financial experience, being the ability to analyze and interpret a full set of financial statements, including notes thereto, in accordance with generally accepted accounting principles.

Independent members of the Audit Committee may not receive, directly or indirectly, any compensation from the Company other than compensation received in their roles as directors and committee members and must be free of any material relationship with the Company which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. The Board shall, in making any such determination, exercise its discretion in accordance with the guidance contained in NI 52-110.

The quorum at any meeting of the Audit Committee is a majority of its members.

The Corporate Governance Committee shall review the candidacy of any director being considered for the Audit Committee prior to the invitation being extended to such director to join the Audit Committee and shall periodically review the composition of the Audit Committee. In addition, the Audit Committee will undertake annually a review of this mandate and make recommendations to the Corporate Governance Committee as to proposed changes, if any.

**AUTHORITY**

The Audit Committee has the authority to:

1. engage independent counsel and other advisors as it determines necessary to carry out its duties;
2. set and pay the compensation for any advisors employed by the Audit Committee; and
3. communicate directly with any auditors performing audit, review of attest services for or on behalf of the Company.

## **RESPONSIBILITIES**

The Audit Committee has the following responsibilities:

### ***With respect to financial reporting***

1. Assuming overall responsibility for the disclosure of all financial and related information by the Company in accordance with all legal and regulatory requirements, both with respect to content and timing governing the dissemination of such information.
2. Reviewing the annual financial statements and accompanying notes, the external auditors' report thereon, the annual management's discussion and analysis ("**MD&A**") and the related press release announcing the Company's earnings, and obtaining explanations from management on all significant variances with comparative periods, before recommending their approval by the Board and their release.
3. Reviewing the quarterly financial statements, the interim MD&A and the related press release announcing the Company's earnings before recommending their approval by the Board and their release.
4. Reviewing the financial information contained in the annual information form, annual report, prospectuses and other documents, as applicable, containing similar financial information extracted or derived from the Company's financial statements before their public disclosure or filing with regulatory authorities in Canada and periodically assessing the adequacy of the procedures established to review the Company's public disclosure of such financial information.
5. Reviewing with management and the external auditors the quality and not just the acceptability of the Company's accounting policies and any changes that are proposed to be made thereto, including (i) all critical accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditors' preferred treatment, and (iii) any other material communications with management with respect thereto, and reviewing the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.
6. Reviewing with the external auditors any audit problems or difficulties and management's response thereto and resolving any disagreement between management and the external auditors regarding financial reporting.
7. Reviewing periodically any policies of the Company with respect to the communication of financial and related information to ensure that they conform with applicable legal and regulatory requirements.

### ***With respect to risk management and internal controls***

1. Reviewing current and expected future compliance with covenants under the financing agreements.

2. Reviewing the proposed issuance of debt and equity instruments including public and private debt, equity and hybrid securities, credit facilities with banks and others, and other credit arrangements such as material capital and operating leases. When applicable, the Committee shall review the related securities filings.
3. Reviewing the proposed repurchase of public and private debt, equity and hybrid securities.
4. Understand the Company's capital structure and financial risks arising from exposure to such things as commodity prices, interest rates, foreign currency exchange rates and credit. Review the management of these risks including any proposed hedging exposures. The Committee shall receive a summary report of the hedging activities including a summary of the hedge-related instruments.
5. Monitoring the quality and integrity of the Company's system of internal controls and management information systems, through discussions with management and the external auditors.
6. Reviewing all audit plans of external auditors and arranging for any additional independent audit procedures deemed necessary by the Audit Committee to gain reasonable assurance that the combined evaluation and testing of internal financial controls is comprehensive, coordinated and cost-effective.
7. Overseeing management's reporting on internal controls.
8. At least annually, reviewing a report of the external auditors describing the Company's internal quality-control procedures, any material issues raised by the most recent reviews of internal controls and management information systems or by any inquiry or investigation by governmental or professional authorities and any recommendations made and steps taken to deal with any such issues.
9. Monitoring the execution of all audit plans.
10. Ensuring that persons auditing internal controls are always ultimately accountable to the Audit Committee and the Board.
11. Establishing procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
8. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a shareholder of the Company, the external auditors, or senior management.

***With respect to the external auditors***

1. Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
2. Reviewing the annual written statement of the external auditors regarding all their relationships with the Company and discussing any relationships or services that may impact on their objectivity or independence.
3. Making recommendations to the Board concerning the appointment and, if appropriate, the termination (both subject to shareholder approval) of the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and monitoring their qualifications, performance and independence. When there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period.
4. Approving the performance of all non-audit services to be provided to the Company by the Company's external auditors.
5. Approving and overseeing the disclosure of all audit services provided by the external auditors to the Company or any of its subsidiaries, determining which non-audit services the external auditors are prohibited from providing and, exceptionally, approving and overseeing the disclosure of permitted non-audit services to be performed by the external auditors.
6. Making recommendations to the Board concerning the basis and amount of the external auditors' fees for both audit and authorized non-audit services.
7. Reviewing the audit plan with the external auditors and management and approving the scope, extent and schedule of such audit plan.
8. Reviewing and approving the Company's hiring policies for partners, employees or former partners or employees of the present and former external auditors.
9. Ensuring the respect of legal requirements regarding the rotation of applicable partners of the external auditors, on a regular basis, as required.
10. Ensuring that the external auditors are always accountable to the Audit Committee and the Board.
11. Making arrangements for sufficient funds to be available to effect payment of the fees of the external auditors and of any advisors or experts retained by the Audit Committee.

***With respect to the Chief Financial Officer***

1. The Audit Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
2. Annually reviewing the performance of the Chief Financial Officer.

***With respect to directors' and officers' insurance***

The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Company with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

**METHOD OF OPERATION**

Meetings of the Audit Committee are held at least quarterly, and as required.

A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Audit Committee shall choose one of the persons present to be the Secretary of the meeting.

The following Management representatives shall be invited to attend all meetings, except private committee sessions and private sessions with the independent auditors:

President and Chief Executive Officer

Vice President, Finance and Chief Financial Officer

The Chairman of the Board, senior management of the Company and other parties may attend meetings of the Audit Committee; however the Audit Committee (i) shall meet with the external auditors independent of management; and (ii) may meet separately with management.

The Chair of the Audit Committee develops the agenda for each meeting of the committee in consultation with the Chief Financial Officer. The agenda and the appropriate material are provided to members of the Audit Committee on a timely basis prior to any meeting of the Audit Committee.

The Chair of the Audit Committee reports regularly to the Board on the business of the Audit Committee.

The Audit Committee has at all times a direct line of communication with the Company's auditors.

The Audit Committee meets on a regular basis without management or the external auditors.

The Audit Committee meets separately with management and the auditors at least annually, and more frequently as required.

The Audit Committee may, in appropriate circumstances, engage external advisors, subject to advising the Chair of the Board thereof.

Review that an effective “whistleblowing” procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual.

The Audit Committee annually reviews its mandate and reports to the Board on its adequacy and publication requirements.

The Corporate Governance Committee annually supervises the performance assessment of the Audit Committee and its members.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Company or the members of the Audit Committee. Even though the Audit Committee has a specific Charter and its members may have financial experience, they do not have the obligation to act as auditors or to perform auditing, or to determine that the Company's financial statements are complete and accurate. Members of the Audit Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided to the Company by the external auditor. The Audit Committee's oversight responsibilities are not established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures, or (ii) the Company's financial statements have been prepared and, if applicable, audited in accordance with generally accepted accounting principles.

The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than inflexible rules and the Audit Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Dated: April 21, 2022