



MANAGEMENT INFORMATION CIRCULAR

as at November 20, 2017

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of NRG Metals Inc, (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of its shareholders to be held on Friday, December 22, 2017 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the Company”, “we” and “our” refer to NRG Metals Inc. “common shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold common shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of common shares held as of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

The only methods by which you may appoint a person as proxy are submitting a Proxy by mail, hand delivery or fax.

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the common shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, or where both choices have been specified, in favour or all matters described herein, the persons named in the Proxy will vote the common shares represented by the Proxy for the approval of such matter.

Notice and Access

The Company is not sending this Circular to registered or beneficial shareholders using “notice-and-access” as defined under National Instrument 54-101 (“**NI 54-101**”).

Registered Shareholders

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

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder’s account number and the Proxy control number; or
- (c) using the Internet through the website of the Company’s transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder’s account number and the Proxy control number.

In all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Should you wish to contact Computershare, please refer to the following:

General Shareholder Inquiries:

By phone:	1-800-564-6253
By fax:	1-866-249-7775
By email:	service@computershare.com
By regular mail:	Computershare Investor Services Inc. 100 University Avenue, 8 th Floor Toronto, Ontario, M5J 2Y1

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares).

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder’s name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for “**Objecting Beneficial Owners**”) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for “**Non-Objecting Beneficial Owners**”).

Pursuant to National Instrument 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials directly to NOBOs, which materials will include a scannable Voting Instruction Form (a “**VIF**”). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and Internet voting as described on the VIF itself which contain complete instructions. Computershare 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 they receive.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form (the “**Broadridge VIF**”) which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote common shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the common shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your common shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the address of the registered office of the Company at Suite 804, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes

any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

- (b) personally attending the Meeting and voting the Registered Shareholder's common shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed November 20, 2017 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, there were 101,829,135 common shares issued and outstanding, each carrying the right to one vote. Other than as set out below, no group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares. Latam Resources Pty Limited (the "**Placee**") is a party to an ancillary rights agreement giving it certain rights to Board representation. See "Particulars of Matters to be Acted Upon – Approval of New Control Person".

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company. The financial statements for the year ended December 31, 2016, report of the auditor and related management and discussion and analysis were filed on www.sedar.com on May 1, 2017 with the securities commissions or similar regulatory authority in British Columbia, Alberta and Ontario and are specifically incorporated by reference into, and form an integral part of, this Circular.

A copy of the financial statements incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Suite 804, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, telephone: (604) 682-2928, or are available through the internet at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at seven (7). The Board proposes that the number of directors remain at seven (7). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at seven (7).

ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee; Current Position with the Company, Province and Country of Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled⁽¹⁾
Adrian Hobkirk⁽²⁾ Washington, USA <i>President, CEO and Director</i>	Business Executive; President and CEO of the Company.	October 20, 2004	1,228,784
Christopher P. Cherry British Columbia, Canada <i>CFO and Nominee Director</i>	Chartered Accountant and Certified General Accountant, Cherry Consulting Ltd.; self-employed management consultant providing management and accounting consulting services to public companies.	Nominee	300,000 ⁽³⁾
Alison Xiao Tian Dai Sichuan Province, China <i>Nominee Director</i>	Business Development and Director, Chengdu Chemphys Chemical Industry Co. Ltd.	Nominee	Nil
Allen V. Ambrose⁽²⁾ Washington, USA <i>Director</i>	Business Executive, Consulting Geologist.	August 10, 2006	2,694,107
Fernando Erik Villarroel Alcoceer Salta, Argentina <i>Director</i>	Industrial engineer and self-employed management consultant and project manager focused on lithium process development.	March 3, 2017	250,000
Gordon Kenneth Neal⁽²⁾ British Columbia, Canada <i>Director</i>	Business Executive. Founder of Neal McInerney Investor Relations. VP Corporate Development for Silvercorp Metals and director of various resource companies.	June 13, 2017	Nil
Jose de Castro Buenos Aires, Argentina <i>COO and Director</i>	Chemical engineer focused on evaluation and development of lithium projects.	June 22, 2017	3,000,000

(1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.

(2) Member of Audit Committee.

(3) Of these 300,000 common shares, 200,000 common shares are held directly by Mr. Cherry and 100,000 common shares are held indirectly through Cherry Consulting Ltd., a company owned and operated by Mr. Cherry.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, to the best of the Company's knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order ("**CTO**") or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Adrian Hobkirk, a director and officer of the Company, was subject to a management cease trade order from May 5, 2009 to June 16, 2009 due to the late filing of the Company's audited financial statements for the year ended December 31, 2008. The cease trade was rescinded on June 16, 2009 and is no longer in effect.

Allen Ambrose, a director of the Company, was a director of Century Mining Corporation ("**Century**"). On March 14, 2008 the British Columbia Securities Commission (the "**BCSC**") issued a CTO against Century for failure to file a technical report under National Instrument 43-101 and interim financial statements and management's discussion & analysis ("**MD&A**") for the period ended September 30, 2007. On March 20, 2008, the BCSC revoked the CTO and issued a management CTO. On July 18, 2008, the management CTO was revoked and Century resolved all outstanding issues. In December, 2009, Mr. Ambrose resigned as director of Century.

Christopher P. Cherry, the CFO of the Company, and Mr. Ambrose, a director of the Company, were former directors and/or officers of Wolfeye Resource Corp. (now Lexagene Holdings Inc.) ("**Lexagene**"). On August 7, 2013, the BCSC and the Alberta Securities Commission (the "**Commissions**") issued a CTO against Lexagene, its directors, officers and insiders for failure of Lexagene to file its audited financial statements and management's discussion & analysis and related certifications for the year ended March 31, 2013 (collectively, the "**Financial Materials**"). On August 8, 2013, trading in Lexagene's common shares was suspended by the TSX Venture Exchange ("**TSXV**") for failure to file the Financial Materials. Lexagene filed the Financial Materials with the Commissions and the CTO was lifted by the Commissions on September 26, 2013. Lexagene applied to the TSXV to lift the trading suspension and, after satisfying all of the conditions of the TSXV, the suspension was lifted and trading in Lexagene's common shares recommenced on October 30, 2013.

Mr. Cherry is currently the CFO of Mexivada Mining Corp. ("**Mexivada**"). On October 29, 2010, at the request of management of Mexivada, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2010 and the related management's discussion and analysis for the same period. The CTO was rescinded on November 30, 2010 and is no longer in effect. On October 31, 2011, at the request of management, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2011 and the related management's discussion and analysis for the same period. The CTO was rescinded on November 24, 2011 and is no longer in effect. On October 31, 2012, at the request of management, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2012 and the related management's discussion and analysis for the same period. The cease trade order is still in effect.

Mr. Cherry was a former director and officer of 1040426 BC Ltd., 1040433 BC Ltd., 1040440 BC Ltd., 1040442 BC Ltd. and Genix Pharmaceutical Corp., companies that are reporting issuers in the provinces of British Columbia and Alberta. On December 2, 2016, the BCSC issued a CTO against these companies, their directors, officers and insiders for failure to file audited financial statements and management's discussion & analysis and related certifications for the year ended July 31, 2016. The BCSC also issued deficiency notices to each of 1040440 BC Ltd. and Genix Pharmaceutical Corp. for failure to file first quarter financial statements and management's discussion & analysis for the period ended October 31, 2016. On May 23, 2017, the BCSC issued revocation orders for each of 1040426 BC Ltd., 1040433 BC Ltd. and 1040442 BC Ltd. (now Zenith Exploration Inc.) and the CTOs were lifted. On September 20, 2017, the BCSC issued a revocation order for 1040440 BC Ltd. and the CTO was lifted. The CTO remains in effect for Genix Pharmaceutical Corp.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

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

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Accountants, of 1200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1G6, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Board. Davidson & Company LLP, Chartered Accountants, were appointed the auditor of the Company on December 11, 2012.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee’s Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule “A”.

Composition of the Audit Committee

The current members of the Audit Committee are Adrian Hobkirk (Chair), Allen V. Ambrose and Gordon Kenneth Neal. All members of the Audit Committee are considered to be financially literate. Mr. Ambrose and Mr. Neal are not executive officers of the Company and, therefore, are independent members of the Audit Committee. Mr. Hobkirk is an executive officer of the Company and is not considered to be an independent member of the Audit Committee.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a member’s independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

Adrian Hobkirk has 26 years of experience in the mining and venture capital industry, beginning with Norgold Resources in 1990, which was ultimately purchased by BEMA Gold. Mr. Hobkirk has been involved in Guyana for over twenty years and founded the company to develop the Groete Gold Copper Deposit in 2006. He has worked in many countries including Canada, Mongolia, Venezuela, Guyana, Chile, Colombia, the United States and Mexico. He has been involved in mineral exploration and technology ventures, and has extensive public company experience. He holds a BA in Economics from Simon Fraser University.

Allen V. Ambrose has over three decades of experience in the mining industry, including work with large companies as well as junior exploration companies. Mr. Ambrose has extensive experience in all phases of exploration, project evaluation and project management, and has worked as a geologic consultant in the US, and South America. He also is a Director and founder of Minera Andes Inc. that was combined with NYSE listed McEwen Mining in January 2012. As a consultant, he was a co-discoverer of a Venezuelan auriferous massive sulfide deposit acquired by Gold Reserve Corporation, and known generally as the Brisas deposit. Mr. Ambrose was formerly employed as exploration manager for N.A. Degerstrom Inc., a US contract mining company, and has worked as a geologist for Cyprus Minerals, Kidd Creek Mines, Molycorp, Boise Cascade and Dennison Mines. Mr. Ambrose holds a degree in Geology from Eastern Washington University and attended graduate school. He is Registered Geologist #763 with the State of Washington, a Member the Prospector's and Developer's Association, and a former trustee of the American Mining and Exploration Association. Mr. Ambrose is also a director and founder of several junior exploration companies.

Gordon Kenneth Neal has more than 35 years experience in governance, corporate finance and investor relations. He founded Neal McInerney Investor Relations in 1991. Through marketing more than \$4 billion in debt and equity financings, the company grew to be the second largest full service Investor Relations firm in Canada with offices in Vancouver, Toronto and Los Angeles. Clients included; BCE, Nortel, Bell Canada International, Bell Mobility, Clearnet, Intrawest, Canaccord Capital, BMO Nesbitt Burns, and Blackberry (RIM). Mr. Neal was VP Corporate Development at MAG Silver Corp. where he provided capital market strategies and solutions to the board. He is currently VP Corporate Development for Silvercorp Metals Inc. Mr. Neal has served on the board of Falco Resources, Balmoral Resources, Americas Petrogas, Rockgate Capital, and Xiana Mining. He has raised more than \$500 million for resources companies since 2004. Mr. Neal graduated from Dalhousie University with a B.Sc. in Biochemistry in 1977. He has also served as a member of the Dalhousie University Senate and Board of Governors.

Each member of the Company's present and proposed Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor.

Reliance on Certain Exemptions

The Company's auditors, Davidson & Company LLP, Chartered Accountants, have not provided any material non-audit services.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP, Chartered Accountants, to the Company to ensure auditor independence. The following table outlines the fees incurred with Davidson & Company LLP, Chartered Accountants, who were appointed auditors of the Company on December 11, 2012 for audit and non-audit services in the last two fiscal years:

<u>Nature of Services</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2016</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2015</u>
Audit Fees ⁽¹⁾	\$28,000	\$24,000
Audit-Related Fees ⁽²⁾	2,000	Nil
Tax Fees ⁽³⁾	4,500	5,500
All Other Fees ⁽⁴⁾	<u>Nil</u>	<u>Nil</u>
Total:	<u>\$34,500</u>	<u>\$29,500</u>

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

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the year ended December 31, 2016. This exemption exempts a "venture issuer" from the requirement to have 100% of the members of its Audit Committee independent, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

General

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators have adopted NI 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the Canadian Securities Administrators have implemented NI 58-101, which prescribes certain disclosure by the Company of its corporate

governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The plenary Board reviews executive compensation and recommends stock option grants.

The independent members of the proposed Board will be Allen V. Ambrose, Fernando Erik Villarroel Alcoceer, Gordon Kenneth Neal and Alison Xiao Tian Dai.

The non-independent members of the proposed Board will be Adrian Hobkirk, the President and CEO of the Company, Christopher P. Cherry, the CFO of the Company and José de Castro, COO of the Company.

The following directors of the Company are directors of other reporting issuers:

Christopher P. Cherry

Mr. Cherry is a current director of each 1040436 BC Ltd., 1040440 BC Ltd., Amador Gold Corp., Blind Creek Resources Ltd., Block One Capital Inc., Cervantes Capital Corp., Clydesdale Resources Inc., Curlew Lake Resources Inc., Duport Capital Ltd., Essex Angel Capital Inc., Genix Pharmaceutical Corp., Gold Port Resources Ltd., Golden Cariboo Resources Ltd., Harvest Gold Corporation, Klondike Silver Corp., Petrichor Energy Inc., Starr Peak Exploration Ltd. and Zenith Exploration Inc.

Allen V. Ambrose

Mr. Ambrose is a current director of each of McEwen Mining Inc. (NYSE), NQ Minerals Plc (London), Gold Port Resources Ltd. and Stem 7 Capital Inc.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

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

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board determines compensation for the directors and CEO.

Other Board Committees

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

Assessments

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

COMPENSATION OF EXECUTIVE OFFICERS

Executive Compensation

In this section “Named Executive Officer” (“NEO”) means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

During the year ended December 31, 2016, the Company had two NEOs; Adrian Hobkirk, the President and CEO of the Company, and Christopher P. Cherry, CFO of the Company.

Compensation Discussion and Analysis

The Board has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity-based compensation programs, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Board receives independent competitive market information on compensation levels for executives.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), stock options and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

Philosophy and Objectives

The Company’s compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company’s business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company’s shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the issuance of founder's shares and the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

Option-Based Awards

At the annual general and special meeting of the Company held on November 25, 2016, the shareholders of the Company approved the adoption of a 20% fixed stock option plan. On March 23, 2017, the Board announced that it has reverted back to its 10% rolling stock option plan (the "Plan") and received TSXV approval to the Plan on March 28, 2017.

The Plan provides incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All stock option grants require approval of the Board.

The stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

See Particulars of Matters to be Acted Upon – Approval of 10% Rolling Stock Option Plan for further information on the Company's stock option plan.

Summary Compensation Table

Name and Principal Positions	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value ⁽³⁾ (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
					Annual incentive plans ⁽²⁾	Long-term incentive plans ⁽²⁾			
Adrian Hobkirk ⁽⁵⁾ President & CEO	2016	141,194	N/A	N/A	N/A	N/A	N/A	N/A	141,194
	2015	125,961	N/A	N/A	N/A	N/A	N/A	N/A	125,961
	2014	132,609	N/A	N/A	N/A	N/A	N/A	N/A	132,609
Christopher P. Cherry ⁽⁶⁾ CFO	2016	69,253	N/A	N/A	N/A	N/A	N/A	N/A	69,253
	2015	42,000	N/A	N/A	N/A	N/A	N/A	N/A	42,000
	2014	10,500	N/A	N/A	N/A	N/A	N/A	N/A	10,500

(1) Financial years ended December 31.

(2) These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts for the year end.

(3) These amounts include all compensation relating to defined benefit or contribution plans and include all service costs and other compensatory items.

(4) These value of perquisites and benefits, if any, for each NEO was less than the lesser of \$50,000 and 10% of the total annual salary and bonus.

(5) Mr. Hobkirk was appointed as President and CEO of the Company on October 20, 2014.

(6) Mr. Cherry was appointed as CFO of the Company on November 26, 2014.

Incentive Plan Awards

Outstanding Option-Based Awards

Pursuant to the Plan, the Company may grant up to 10% of the issued and outstanding common shares of the Company. As at the Record Date, 8,450,000 stock options granted and outstanding under the Plan.

The following table sets out all option-based awards outstanding as at December 31, 2016 for each NEO. There were no share-based awards granted to any of the NEOs:

Option-based Awards				
Name and Principal Positions	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Adrian Hobkirk ⁽¹⁾ President & CEO	Nil	N/A	N/A	N/A
Christopher P. Cherry ⁽²⁾ CFO	Nil	N/A	N/A	N/A

(1) Mr. Hobkirk was appointed as President and CEO of the Company on October 20, 2014.

(2) Mr. Cherry was appointed as CFO of the Company on November 26, 2014.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested during the financial year ended December 31, 2016 for options awarded under the Plan for the NEO, as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Adrian Hobkirk ⁽²⁾ President & CEO	Nil	N/A	N/A
Christopher P. Cherry ⁽⁴⁾ CFO	Nil	N/A	N/A

(1) Mr. Hobkirk was appointed as President and CEO of the Company on October 20, 2014.

(2) Mr. Cherry was appointed as CFO of the Company on November 26, 2014.

Termination and Change of Control Benefits

There are no compensatory plans or arrangements with respect to any NEO resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of an NEO's responsibilities following a change in control.

Director Compensation

The Company compensates its directors through option grants. NEOs do not receive additional compensation for serving as directors.

Outstanding Option-Based Awards

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year ended December 31, 2016, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Dr. A. Darryl Drummond ⁽¹⁾	Nil	N/A	N/A	N/A
Allen V. Ambrose ⁽²⁾	Nil	N/A	N/A	N/A

- (1) Dr. Drummond served as a director of the Company from October 20, 2004 to June 13, 2017.
 (2) Mr. Ambrose was appointed as a director of the Company on August 10, 2006.

Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

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

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial year ended December 31, 2016:

Name	Option-based awards- Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Dr. A. Darryl Drummond ⁽¹⁾	Nil	Nil	Nil
Allen V. Ambrose ⁽³⁾	Nil	Nil	Nil

- (1) Dr. Drummond served as a director of the Company from October 20, 2004 to June 13, 2017.
 (2) Mr. Ambrose was appointed as a director of the Company on August 10, 2006.

Securities Authorized for Issuance under Equity Compensation Plans

On December 29, 2016, the Company cancelled all outstanding stock options granted.

The following table sets out equity compensation plan information as at the year ended December 31, 2016, utilizing the Plan:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	Nil	N/A	Nil
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total:	0	N/A	0

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last financial year was a director or executive officer or employee of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's last completed financial year, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Except as set out herein, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Rolling Stock Option Plan

On December 30, 2016, the shareholders of the Company approved the adoption of a 20% fixed stock option plan which was approved by the Board on November 25, 2016. On March 23, 2017, the Company announced that it has reverted back to its original Plan which was approved by the Board on May 20, 2005 and by the shareholders of the Company on June 29, 2005. The Plan is a 10% maximum rolling plan, as described below.

The TSXV policy requires all of its listed companies to have a stock option plan if a company intends to grant options. Pursuant to the policies of the TSXV, the Plan requires shareholder approval for continuation at every annual meeting of the Company by ordinary resolution.

The Plan is a rolling plan, and a maximum of 10% of the issued and outstanding common shares of the Company at the time an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the Plan, are reserved for options to be granted at the discretion of the Board to eligible optionees (an "Optionee"). As at the date of this Circular, there were 8,450,000 options granted.

A copy of the Plan will be available for inspection at the Meeting.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to approve the Plan, with or without variation, as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Stock Option Plan (the "Plan"), as approved by the Company's Board on June 29, 2005, as more particularly described in the Circular of the Company dated November 20, 2017, be ratified and approved;
2. to the extent permitted by law, the Company be authorized to abandon all or any part of the Plan if the Board deems it appropriate and in the best interests of the Company to do so; and
3. any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions."

The Board recommends that shareholders vote in favour of the Plan.

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by Proxy.

Approval of New Control Person

As announced on November 16, 2017, the Company completed various agreements to give effect to its strategic alliance with Chengdu Chemphys Chemical Industry Co., Ltd. ("Chemphys") to advance the exploration and

development of the Company's Hombre Muerto North Lithium Project (the "**HMN Project**") located in the Salta and Catamarca Province area where most of the lithium production occurs in Argentina.

In connection with the above, the Placee, a company owned by one of the principal shareholders of Chemphys and therefore an affiliate of Chemphys, subscribed for an aggregate of 1,600,000 units ("**Units**"), each Unit consisting of one common share and one common share purchase warrant exercisable for a period of three years from the date of issue at an exercise price of CAD\$0.20 per share, for gross subscription proceeds of CAD\$1,600,000 (the "**Private Placement**"). On November 16, 2017, the Company completed the first tranche of the Private Placement for gross proceeds of CAD\$980,000 and the issuance of 980,000 Units. A second tranche of the Private Placement is expected to be completed in coming weeks and will consist of 6,200,000 Units for gross proceeds of CAD\$620,000. Upon completion of the second tranche of the Private Placement, the Placee will hold approximately 15% of the shares of the Company that are expected to be outstanding after giving effect to the second tranche and assuming no other shares are issued.

Pending the approval of the TSXV of a personal information form filed in respect of the principal of the Placee, the Placee has agreed not to exercise any warrants if to do so would result in it acquiring more than 10% of the outstanding common shares of the Company, calculated on an undiluted basis. The second tranche of the Private Placement will only be completed if either: (i) the disinterested shareholders of the Company (being shareholders other than the Placee and its affiliates) have approved the issuance to the Placee of common shares underlying the warrants where to do so would result in the Placee holding more than 20% of the issued and outstanding common shares of the Company (calculated on a non-diluted basis), or (ii) the Placee shall have entered into a warrant exercise agreement with the Company restricting the exercise of any warrants by the Placee if to do so would result in the Placee owning or controlling 20% or more of the then issued and outstanding common shares of the Company (calculated on a non-diluted basis).

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

The Placee currently holds directly a total of 9,800,000 common shares (representing 9.6% of the issued and outstanding shares of the Company as at the Record Date) and 9,800,000 common share purchase warrants, which together with the Placee's common shares represent 19.3% of the issued and outstanding common shares on a partially diluted basis. Upon completion of the second tranche Private Placement, the Placee will hold directly a total of 16,000,000 common shares representing approximately 14.8% of the then issued and outstanding common shares and 16,000,000 common share purchase warrants which together with the Placee's common shares would represent approximately 25.8% of the then issued and outstanding common shares on a partially diluted basis. If disinterested shareholder approval is not obtained, the Placee will enter into a warrant exercise agreement with the Company restricting the exercise of any warrants by the Placee if to do so would result in the Placee owning or controlling 20% or more of the then issued and outstanding common shares of the Company (calculated on a non-diluted basis). If approved, the creation of the Placee as a Control Person would allow it to exercise warrants and/or participate in future private placements where its subsequent holdings would exceed 20% of the Company's issued and outstanding shares. Where the issuance of shares from treasury could result in the creation of a new Control Person the TSXV generally requires the Company to obtain 'disinterested shareholder approval for the new Control Person.

For the subject vote to constitute 'disinterested shareholder approval', a total of 9,800,000 common shares of the Company held directly by the Placee will be excluded from voting on the new Control Person resolution.

Disinterested shareholders will be asked to vote on the approval of the following resolution:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT Latam Resources Pty Limited, an affiliate of Chengdu Chemphys Chemical Industry Co., Ltd., as a potential new control person be ratified, confirmed and approved, subject to any amendments that may be required by any applicable stock exchange or regulatory authority, as the directors of the Company may deem necessary or advisable."

The Board recommends that shareholders vote in favour of the new Control Person. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.

It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the disinterested ordinary resolution authorizing the approval of the Placee as a potential new Control Person.

Additional Matters Related to the Private Placement

Ancillary Rights Agreement

Concurrently with the completion of the first tranche of the Private Placement, the Company and the Placee entered into an ancillary rights agreement providing for (i) the right of the Placee to at least one Board seat so long as it owns at least 10% of the Company's shares or the offtake agreement is in force, (ii) a right to increase the Placee's Board representation proportionate to its share ownership, (iii) a right to maintain the Placee's pro rata share ownership, (iv) a right of the Placee to representation on a Project Advisory Board in respect of the HMN Project, and (v) an obligation of the Placee to undertake a broad distribution of its securities should it determine to dispose of its shareholdings in the Company.

Offtake Agreement

Concurrently with the completion of the first tranche of the Private Placement, the Company entered into an offtake agreement with Chemphys covering all lithium products produced from the HMN Project. The offtake provides for the sale of lithium at prices related to market prices.

Chemphys will have a right of first offer to negotiate in good faith (with no obligation of the Company to accept) the right of Chemphys to acquire a portion of the Company's entitlement to annual production of lithium products from any other lithium project from which the Company is entitled to acquire or sell lithium products, such right on terms and conditions as the Parties may agree.

The offtake agreement is subject to the Company (i) establishing the necessary mineral reserves in commercial quantities and quality, (ii) building the necessary mining and processing facilities to extract and process lithium products, and (iii) obtaining sufficient financing on commercially reasonable terms in order to finance the achievement of each of the foregoing (i) and (ii) sufficient to achieve commencement of commercial production. If the Company is unable to satisfy these conditions within three years, the offtake agreement shall automatically terminate (unless the parties otherwise agree in writing).

Information About Chengdu Chemphys Chemical Industry Co., Ltd.

Chemphys was established in 1998 and is a high-tech enterprise both ISO9001 and ISO14001 certified. Chemphys specializes in the production of high purity (99.99%) Lithium Carbonate and battery grade Lithium Hydroxide for the manufacturing of cathode materials and electrolytes of lithium ion batteries. Chemphys was one of the first Chinese suppliers to export high purity Lithium Carbonate and battery grade Lithium Hydroxide to leading cathode materials and lithium hexafluorophosphate manufacturers in Japan and South Korea. Chemphys also produces 99.995% Lithium Carbonate which is used to manufacture single crystal substrates for surface acoustic wave and integrated optic devices. In addition, Chemphys produces high purity Lithium Carbonate and Boric Acid for the production of fusion fluxes, Lithium Borates for XRF analysis, and numerous other specialized materials. Chemphys has a strong research and development capability and works closely with customers to develop new materials. Chemphys product is recognized by all major lithium ion battery materials manufacturers and forms an integral part of the electric vehicle supply chain.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for review by the public on SEDAR at www.sedar.com and may also be obtained by a shareholder upon request without charge from the Corporate Secretary of the Company at 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, telephone: (604) 682-2928; fax (604) 685-6905.

Financial information is provided in the Company's comparative audited financial statements of the Company for the year ended May 31, 2017, and in the related Management Discussion and Analysis.

OTHER MATTERS

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Circular.

Schedule "A"

NRG METALS INC. (the "Company")

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the audit committee (the "Audit Committee") of the directors of the Company (the "Board") is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

2. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
3. Review the appointments of the Company's CFO and CEO and any other key financial executives involved in the financial reporting process.
4. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
5. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related

documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

6. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
7. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
8. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
9. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
10. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
11. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
12. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
 - internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
13. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
14. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.