



MANAGEMENT INFORMATION CIRCULAR

as at September 30, 2019

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, November 29, 2019 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 Computershare’s website 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 September 30, 2019 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 42,808,911 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.

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 audited financial statements for the years ended December 31, 2017 and December 31, 2018, reports of the auditor and related managements and discussion and analysis were filed on www.sedar.com on April 30, 2018 and April 30, 2019, respectively, 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 six (6). The Board proposes that the number of directors remain at six (6). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at six (6).

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	1,207,196
Christopher P. Cherry British Columbia, Canada <i>CFO and Director</i>	Chartered Accountant and Certified General Accountant, Cherry Consulting Ltd.; self-employed management consultant providing management and accounting consulting services to public companies.	December 22, 2017	779,625 ⁽³⁾
Fernando Erik Villarroel Alcoceer Salta, Argentina <i>VP, Business Development and Director</i>	Industrial engineer and self-employed management consultant and project manager focused on lithium process development.	March 3, 2017	510,625
Allen V. Ambrose⁽²⁾ Washington, USA <i>Director</i>	Business Executive, Consulting Geologist.	August 10, 2006	298,527
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
Alison Xiao Tian Dai Sichuan Province, China <i>Director</i>	Business Development and Director, Chengdu Chemphys Chemical Industry Co. Ltd.	December 22, 2017	Nil

- (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 779,625 common shares, 754,625 common shares are held directly by Mr. Cherry and 25,000 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.

Christopher P. Cherry, a director and officer 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 British Columbia Securities Commission (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 (the "**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 CTO 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. On April 13, 2018, the BCSC issued a revocation order for Genix Pharmaceutical Corp. and the CTO was lifted.

Mr. Cherry is the CFO of Block One Capital Inc. ("**Block One**"). On January 2, 2019, the BCSC issued a CTO against Block One and Mr. Cherry, as an insider of Block One, for failure to file its annual audited financial statements for the year ended August 31, 2018 and the related management's discussion for the same period. On January 31, 2019, the BCSC issued a revocation order for Block One and the CTO was lifted.

Mr. Cherry is the CFO of NetCents Technology Inc. ("**NetCents**"). On March 1, 2019, at the request of management of NetCents, the BCSC issued a CTO against the insiders of NetCents for not filing comparative financial statements

for its financial year ended October 31, 2018 and the related management's discussion and analysis for the same period. On March 29, 2019, the BCSC issued a revocation order for NetCents and the CTO was lifted.

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 nearly three decades of experience in the mining industry, including work with large companies as well as junior exploration companies. He was a director of Minera Andes from November 1995 until its combination with McEwen Mining in January 2012. Mr. Ambrose also served as President and CEO of Minera Andes from 1995 until June 2008. 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, Venezuela, and Argentina. 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. He holds a BS in Geology from Eastern Washington University.

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, 2018</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2017</u>
Audit Fees ⁽¹⁾	\$24,500	\$28,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$4,000	10,000
All Other Fees ⁽⁴⁾	<u>Nil</u>	<u>Nil</u>
Total:	<u>\$28,500</u>	<u>\$38,000</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 years ended December 31, 2017 and 2018. 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 Board are Allen V. Ambrose, Gordon Kenneth Neal and Alison Xiao Tian Dai.

The non-independent members of the Board are Adrian Hobkirk, the President and CEO of the Company, Christopher P. Cherry, the CFO of the Company and Fernando Erik Villarroel Alcoceer, the VP, Business Development of the Company.

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

Adrian Hobkirk

Mr. Hobkirk is a current director of Corsurex Resource Corp.

Christopher P. Cherry

Mr. Cherry is a current director of each Block One Capital Inc., Clydesdale Resources Inc., C21 Investments Inc., Corsurex Resource Corp., Harvest Gold Corporation, Integrated Cannabis Company Inc., Petrichor Energy Inc., American Biofuels Inc. and Subscribe Technologies Inc.

Allen V. Ambrose

Mr. Ambrose is a current director of each of McEwen Mining Inc. (NYSE), NQ Minerals Plc (London), Corsurex Resource Corp. and Stem 7 Capital Inc.

Fernando Erik Villarroel Alcoceer

Mr. Alcoceer is a current director of Corsurex Resource Corp.

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 years ended December 31, 2017 and 2018, the Company had the following NEOs: Adrian Hobkirk, the President and CEO of the Company, Christopher P. Cherry, CFO of the Company, Fernando Erik Villarroel Alcoceer, VP, Business Development and Jose de Castro, former COO 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 December 22, 2017, the shareholders of the Company re-approved the Company's 10% rolling stock option plan (the "Plan") as previously approved by the Board on June 29, 2005.

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 (\$)(6)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Adrian Hobkirk ⁽²⁾ President & CEO	2018	156,165	N/A	N/A	N/A	N/A	N/A	Nil	156,165
	2017	190,819	N/A	N/A	N/A	N/A	N/A	190,819	190,819
	2016	141,194	N/A	N/A	N/A	N/A	N/A	141,194	141,194
Christopher P. Cherry ⁽³⁾ CFO	2018	97,500	N/A	N/A	N/A	N/A	N/A	Nil	97,500
	2017	112,500	N/A	N/A	N/A	N/A	N/A	112,500	112,500
	2016	69,253	N/A	N/A	N/A	N/A	N/A	69,253	69,253
Fernando Erik Villarroel Alcoceer ⁽⁴⁾ VP, Business Development	2018	153,334	N/A	N/A	N/A	N/A	N/A	Nil	153,334
	2017	Nil	N/A	N/A	N/A	N/A	N/A	Nil	Nil
	2016	Nil	N/A	N/A	N/A	N/A	N/A	Nil	Nil
Jose de Castro ⁽⁵⁾ Former COO	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Financial years ended December 31.

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

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

(4) Mr. Alcoceer was appointed as the VP, Business Development, on November 9, 2018.

(5) Mr. de Castro served as COO of the Company from June 22, 2017 to October 24, 2018.

(6) All incentive stock options were cancelled by the Company on March 11, 2019.

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, there were no stock options granted and outstanding under the Plan.

The following table sets out all option-based awards outstanding as at December 31, 2017 and 2018 for each NEO. There were no share-based awards granted to any of the NEOs:

Option-based Awards					
Name and Principal Positions	Year ⁽¹⁾	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Adrian Hobkirk President & CEO	2018	Nil	N/A	N/A	N/A ⁽²⁾
	2017	250,000 250,000	0.15 0.43	Mar. 23/22 Oct. 26/22	78,750 ⁽³⁾ 8,750 ⁽³⁾
Christopher P. Cherry CFO	2018	Nil	N/A	N/A	N/A ⁽²⁾
	2017	250,000	0.15	Mar. 23/22	78,750 ⁽³⁾
		125,000 25,000	0.305 0.43	Oct. 20/22 Oct. 26/22	20,000 ⁽³⁾ 875 ⁽³⁾
Jose de Castro Former COO	2018	Nil	N/A	N/A	N/A ⁽²⁾
	2017	300,000	0.15	Mar. 23/22	94,500 ⁽³⁾
Fernando Erik Villarroel Alcoceer VP, Business Development	2018	Nil	N/A	N/A	N/A ⁽²⁾
	2017	250,000 150,000	0.15 0.305	Mar. 23/22 Oct. 20/22	78,750 ⁽³⁾ 24,000 ⁽³⁾

(1) Financial years ended December 31.

(2) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2018, which was \$0.065, being the last trading day of the common shares for the financial year and the exercise price of any outstanding options.

(3) This amount is based on the difference between the market value of the securities underlying the options on December 29, 2017, which was \$0.465, being the last trading day of the common shares for the financial year and the exercise price of any outstanding options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested during the financial years ended December 31, 2017 and 2018 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	Year ⁽¹⁾	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 President & CEO	2018	Nil	N/A	N/A
	2017	87,500	N/A	N/A
Christopher P. Cherry CFO	2018	Nil	N/A	N/A
	2017	99,625	N/A	N/A

Name	Year ⁽¹⁾	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 (\$)
Fernando Erik Villarroel Alcoceer VP, Business Development	2018	Nil	N/A	N/A
	2017	94,500	N/A	N/A
Jose de Castro Former COO	2018	Nil	N/A	N/A
	2017	102,750	N/A	N/A

(1) Financial years ended December 31.

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 years ended December 31, 2017 and 2018, including awards granted before the most recently completed financial year.

Name	Option-based Awards				
	Year ⁽¹⁾	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Allen V. Ambrose ⁽²⁾	2018	Nil	N/A	N/A	N/A ⁽⁵⁾
	2017	250,000 150,000	0.15 0.305	Mar. 23/22 Oct. 20/22	78,750 ⁽⁶⁾ 24,000 ⁽⁶⁾
Gordon Kenneth Neal ⁽³⁾	2018	Nil	N/A	N/A	N/A ⁽⁵⁾
	2017	250,000 250,000	0.10 0.305	Sept. 8/22 Oct. 20/22	91,250 ⁽⁶⁾ 40,000 ⁽⁶⁾
Alison Xiao Tian Dai ⁽⁴⁾	2018	Nil	N/A	N/A	N/A ⁽⁵⁾
	2017	Nil	N/A	N/A	N/A ⁽⁶⁾

(1) Financial years ended December 31.

(2) Mr. Ambrose was appointed as a director of the Company on August 10, 2006.

(3) Mr. Neal was appointed as a director of the Company June 13, 2017.

(4) Ms. Dai was appointed as a director of the Company on December 22, 2017.

(5) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2018, which was \$0.065, being the last trading day of the common shares for the financial year and the exercise price of any outstanding options.

- (6) This amount is based on the difference between the market value of the securities underlying the options on December 29, 2017, which was \$0.465, being the last trading day of the common shares for the financial year and the exercise price of any outstanding options.

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 years ended December 31, 2017 and 2018:

Name	Year⁽¹⁾	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 (\$)
Allen V. Ambrose	2018	Nil	Nil	Nil
	2017	102,750	Nil	Nil
Gordon Kenneth Neal	2018	Nil	Nil	Nil
	2017	131,250	Nil	Nil
Alison Xiao Tian Dai	2018	Nil	Nil	Nil
	2017	Nil	Nil	Nil

Securities Authorized for Issuance under Equity Compensation Plans

On December 29, 2016 and March 11, 2019, the Company cancelled all outstanding stock options granted.

The following table sets out equity compensation plan information as at the year ended December 31, 2017, utilizing the Plan:

Plan Category	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))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	8,525,000	\$0.21	2,169,064
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total:	8,525,000	N/A	2,169,064

The following table sets out equity compensation plan information as at the year ended December 31, 2018, 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

Re-Approval of Rolling Stock Option Plan

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 shareholders of the Company re-approved the 10% Plan of the Company at the annual general and special meeting of the Company held on December 22, 2017.

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 no incentive stock options (the "Options") outstanding.

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:

“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Stock Option Plan (the “**Plan**”), as approved by the Company’s board of directors on June 29, 2005, as more particularly described in the information circular of the Company dated September 30, 2019, 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 of directors 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.

Sale of Hombre Muerto North Lithium Property, Argentina

Agreement with Alberdi Energy S.A.

On May 17, 2017, NRG Metals Argentina S.A. (“**NRG Metals Argentina**”), a subsidiary of the Company duly incorporated under the laws of Argentina and registered in the Province of Mendoza, entered into an agreement (the “**Option Agreement**”), as amended on October 26, 2017, March 28, 2018 and March 22, 2019, with Jorge E. Moreno and Alba Silvia Sala and acquired an option to purchase the Hombre Muerto North Lithium Project in Argentina (the “**Hombre Muerto Property**”).

On October 29, 2019, the Company entered into a non-exclusive option to purchase agreement with Alberdi Energy S.A. (“**Alberdi**”) and 1140177 BC Ltd. (the “**Agreement**”), whereby Alberdi wishes to purchase 100% of the common shares of NRG Metals Argentina, on a non-exclusive option basis and as a result, Alberdi will acquire the Company’s Hombre Muerto Property. This proposed disposition of the Hombre Muerto Property is an arm’s length transaction, has been approved by the board or directors of the Company and will be announced by the Company. Finder’s fees will be payable to qualified parties subject to the policies of the TSXV.

Pursuant to the Agreement, Alberdi shall have the option to notify the Company on or before January 15, 2020 if it is willing to execute a purchase agreement with respect to all, and nothing less than all, the shares of NRG Metals Argentina. The purchase agreement has to be negotiated before January 15, 2020 (the “**Deadline**”). If Alberdi does not express its intention before the Deadline, the parties to the Agreement shall have no any further obligations to each other and shall have no right to claim any redress.

Pursuant to the Agreement, and as consideration for the Hombre Muerto Property, Alberdi is to pay an aggregate of USD\$18,000,000 to the Company according to the following schedule:

- USD\$3,000,000 within five business days of executing a definitive purchase agreement (the “**Purchase Agreement**”), with USD\$2,000,000 paid directly to the Company and USD\$1,000,000 to be paid into trust which will be reserved for the option payment due in March 2020 to Jorge E. Moreno and Alba Silvia Sala;
- USD\$3,000,000 within six (6) months from the Purchase Agreement;
- USD\$3,000,000 within twelve (12) months from the Purchase Agreement;
- USD\$3,000,000 within eighteen (18) months from the Purchase Agreement; and
- USD\$6,000,000 within twenty-four (24) months from the Purchase Agreement.

The Agreement provides that failure to honour any of these payments shall cause the title to the shares of NRG Metals Argentina or the option to revert back to the Company.

Potential Sale to Other Purchaser(s)

If the sale of the Hombre Muerto Property to Alberdi is not successful or if the Company receives a better offer from another potential purchaser, the Company plans to sell the Hombre Muerto Property to another purchaser and is seeking shareholder approval for such sale.

The Company needs funds and plans to use the funds received from the sale of the Hombre Muerto Property for general working capital and for potential acquisitions of other mineral exploration properties or other businesses.

Forward-Looking Information

This Circular contains certain statements or disclosures that may constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management of the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as “forecast”, “future”, “may”, “will”, “expect”, “anticipate”, “believe”, “potential”, “enable”, “plan”, “continue”, “contemplate”, “pro forma” or other comparable terminology.

Forward-looking information presented in such statements or disclosures may, among other things, relate to: the structure, steps, timing and effects of the Agreement and the sale of the Hombre Muerto Property; the anticipated benefits and shareholder value resulting from the Agreement and the sale of the Hombre Muerto Property; the nature of the Company’s operations following the Acceptance Date; forecasts of capital expenditures and the sources of the financing thereof; expectations regarding the ability of the Company to identify and acquire other assets; the prospects for other properties of the Company; expectations regarding the ability of the Company to raise capital; movements in currency exchange rates; anticipated income taxes; the Company’s business outlook; plans and objectives of management for future operations; forecast business results; and anticipated financial performance.

Various assumptions or factors are applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the statements or disclosure containing the forward-looking information. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to: the approval of the Agreement and the sale of the Hombre Muerto Property by the shareholders; the receipt of all regulatory approvals to complete the Agreement and the sale of the Hombre Muerto Property; Alberdi or another purchaser raising sufficient funds to make payments pursuant to the Agreement and all underlying agreements; no unforeseen changes in the legislative and operating framework for the business of the Company or Alberti as applicable; no significant adverse changes in economic conditions that influence the demand for lithium or other precious or base metals; no significant adverse changes in commodity prices; a stable competitive environment; and no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The forward-looking information in statements or disclosures in this Circular is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Company, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Company. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Company does not know what impact any of those differences may have, its business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things, the failure to complete the Agreement and the sale of the Hombre Muerto Property; the failure to realize the anticipated benefits of the Agreement and the sale of the Hombre Muerto Property; the risks that the Agreement and the sale of the Hombre Muerto Property will not receive all requisite shareholder and TSXV approvals; the failure of Alberdi or another potential purchaser to raise sufficient capital to pay for the Hombre Muerto Property; the failure of Alberdi to identify an economically viable mineral deposit on the Hombre Muerto Property as a result of such failure abandoning the Agreement; the failure of Alberdi to obtain required exploration or mining authorization permits for the further exploration and development of the Hombre Muerto Property; and the risks associated with fluctuations in commodity prices in the mining sector;

the risks associated with legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where the Company operates and where Alberdi will operate.

The forward-looking statements contained in this analysis are expressly qualified by this cautionary statement. Subject to the Company's obligations under applicable securities laws, the Company is not under any duty to update any of the forward-looking statements after the date of this Circular to conform such statements to actual results or to changes in the Company's expectations.

Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

The Company cautions you that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information are disclosed in the Company's publicly filed disclosure documents, including those disclosed under "Risk Factors" in this Circular.

Risk Factors

There are a number of risks that could affect Hombre Muerto Property, the business and prospects of the Company and the business and prospects of Alberdi or another potential purchaser. They include the speculative nature of the exploration and development of mineral properties, the ability to finance the exploration and development of mineral properties, operating hazards, environmental and other government regulations, conducting aboriginal consultation and obtaining consents as may be required, competition in the marketplace, markets for the Corporation's securities and the demand for lithium and other minerals. In the future, the viability of a Company's principal assets which are mineral properties will depend on the successful definition of recoverable and economic resources and the establishment of positive comprehensive feasibility studies leading to production decisions. After completion of positive feasibility studies, success is dependent on maintaining the title and beneficial interest in the properties, obtaining the necessary governmental permits and approvals and aboriginal consents as may be required and the successful financing, construction and operation of a facility to profitably extract the contained metals. There is no assurance that adequate funding can be raised, that any mineral property will have an economically viable mineral deposit, that required exploration and mining authorization permits will be issued or, if issued, will not be revoked by a government or challenged by third parties, that there will be adequate human resources to explore or develop mineral properties or that compliance with environmental regulations won't involve significant costs.

The Company wishes to pass a special resolution (the "**Disposition Resolution**") to the sale of the Property and thereby seek shareholder approval and acceptance of the TSXV.

Until now the Company has expended a total of USD\$3,400,000 on the Hombre Muerto Property. The value of the Hombre Muerto Property exceeds 75% of value of the total assets of the Company. Therefore, the disposition of the Hombre Muerto Property is likely to amount to the disposition of all or substantially all of the Company's undertaking and requires the approval of the shareholders of the Company by a special resolution pursuant to the corporate law.

Shareholder Approval

Pursuant to section 301(1)(b) of the BC Business Corporations Act (the "**BCBCA**"), the Disposition Resolution must be approved by at least 2/3 (66⅔%) of the votes cast at the Meeting. The Company is unaware of any shareholder who will be ineligible to vote on the Disposition Resolution.

At the Meeting, shareholders will be asked to pass the following resolution:

“UPON MOTION DULY MADE, IT WAS RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The non-exclusive option to purchase agreement between the Company, Alberdi Energy S.A. ("Alberdi") and 1140177 BC Ltd. dated October 29, 2019 (the "Agreement") is approved. The performance of the obligations of the Company pursuant the Agreement is approved.

2. The Board of the Company be and they are hereby authorized to sell the Hombre Muerto North Lithium Project (the “Hombre Muerto Property”), in the manner as detailed in the Company’s information circular dated September 30, 2019, and enter into a definitive agreement with Alberdi or another purchaser. At the discretion of the board of directors of the Company, the definitive agreement may be structure as a share purchase agreement, asset purchase agreement, an option agreement or any other agreement as the directors of the Company deem necessary.
3. Notwithstanding that these resolution have been passed by the shareholders of the Company, the board of directors of the Company are hereby authorized and empowered, without further approval of the shareholders of the Company to: (i) amend the Agreement to the extent permissible therein; (iii) enter into and amend a definitive agreement with Alberdi or any other potential purchaser of the Hombre Muerto Property; (iv) sell or option the HMN Property on the terms and conditions determined by the directors of the Company; and (v) not proceed with the Agreement, the sale or option of the Hombre Muerto Property.
4. The Board of the Company be and they are hereby authorized to accept an offer they deem superior or equal to the current offer for the sale of the HMN Property without further approval of the shareholders of the Company.
5. The disposition of the Hombre Muerto Property is subject to the approval by the TSX Venture Exchange.
6. Any one director or officer of the Company is hereby authorized to do all things and to execute and deliver all such documents, agreements and instruments, under seal or otherwise, and to do all such other acts and things which he, in consultation with counsel for the Company, considers necessary or desirable to give effect to the foregoing transactions as such director or officer may determine appropriate.”

A special resolution is a resolution passed by the shareholders of the Company at a special meeting by two-thirds majority of the votes cast in person or by proxy.

Recommendation of the Board of Directors and Management

The Board reviewed the Agreement and the proposed terms of disposition of the Hombre Muerto Property and has determined that the disposition is in the best interest of the Company and its shareholders.

As none of the members of the Board of the Company are interested parties with respect to the proposed Agreement and the disposition of the Hombre Muerto Property, the Board of the Company determined that review by a special committee was not necessary. Since the Agreement and the disposition of the Hombre Muerto Property are entirely arm’s length and subject to approval of the shareholders, the board of directors determined that no independent fairness opinion regarding the disposition was necessary or appropriate in the circumstances.

The Board recommends that you vote in favour of the Disposition Resolution. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the Disposition Resolution.

Approval by the TSX Ventures Exchange

The value of the Hombre Muerto Property exceeds 50% of the total value of the assets of the Company. Therefore, the Agreement and the disposition of the Hombre Muerto Property amounts to a fundamental disposition pursuant to Policy 5.3 of the TSXV and will required the approval of the TSXV before the completion of the disposition. The approval of the disposition of the Hombre Muerto Property by the shareholders of the Company is one of the conditions required in order to obtain the approval of the TSXV. The Company will be making submissions and will be seeking approval by the TSXV of the disposition of the Hombre Muerto Property.

New Option Grants to Insiders

On March 11, 2019, the Company cancelled all outstanding Options previously granted by the Company to directors, officers and consultants. In accordance with TSXV Policy 4.4 *Stock Options*, if a Company cancels Options and within one-year grants new options to the same individuals, the new Options are subject to receipt of disinterested shareholder approval with respect to Options granted to insiders of the Company.

The Company wishes to pass an ordinary resolution for the granting of new Options to insiders of the Company and thereby seek shareholder approval and acceptance of the TSXV.

At the Meeting, shareholders will be asked to pass the following resolution (the “**Option Grant Resolution**”):

“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Board be and they are hereby authorized to grant new incentive stock options to insiders of the Company, in accordance with the policies of the TSX Venture Exchange and the Company’s stock option plan, and the exercise price of the options be determined based on the Company’s closing market price on the date of grant.
2. Any one director or officer of the Company is hereby authorized to do all things and to execute and deliver all such documents, agreements and instruments, under seal or otherwise, and to do all such other acts and things which he, in consultation with counsel for the Company, considers necessary or desirable to give effect to the foregoing transactions as such director or officer may determine appropriate.”

The Board recommends that you vote in favour of the Option Grant Resolution. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the Option Grant Resolution.

Rights of Dissenting Shareholders

Pursuant to section 242 of the BCBCA, a shareholder has the right at or prior to the Meeting to dissent from the Disposition Resolution in respect of his or her common shares by delivering to the Company a written notice of dissent to the Company’s registered office at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, or at the Meeting by delivering the notice of dissent to the chairman of the Meeting. As a result of giving a notice of dissent, a dissenting shareholder may, upon passage of the Disposition Resolution and, within 14 days of receipt from the Company of a notice of its intention to act thereupon, require the Company to purchase all of the dissenting shareholder’s Common Shares in respect of which the notice of dissent was given, together with the share certificate or certificates representing those Common Shares, whereupon the dissenting shareholder is bound to sell and the Company is bound to purchase those Common Shares. The full text of the relevant provisions of the BCBCA is attached hereto as “Schedule “B”.

A dissenting shareholder who has complied with the aforementioned provisions of section 242, or the Company may apply to the Court for an order requiring such holder’s Common Shares to be purchased, fixing the price and terms of the purchase and sale or ordering that they may be determined by arbitration, and the Court may make such order and such consequential orders or directions as the Court considers appropriate. There is no obligation on the Company to make application to the Court. The dissenting shareholder will be entitled to receive the fair value of the Common Shares held by such holder as of the day before the Meeting or such later date on which the Disposition Resolution is passed.

Addresses for Notice

All notices to the Company of dissent to the Disposition Resolution pursuant to section 242 of the BCBCA should be addressed and be sent to:

NRG Metals Inc.
Attention: CEO
Suite 804 – 750 West Pender Street
Vancouver, BC V6C 2T7

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of his or her Common Shares. Section 244 of the BCBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenter’s rights. Accordingly, each shareholder who might desire to exercise the dissenter’s rights should carefully consider and comply with the provisions of the section, the full text of which is set out in Schedule “B” to this Circular, and consult such holder’s legal advisor.

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 years ended December 31, 2017 and 2018, 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.

**SCHEDULE “B”
DISSENT RIGHTS UNDER THE BCBCA**

Sections 237 to 247 of the *Business Corporations Act* (British Columbia)

Definitions and application

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an Arrangement agreement;

(c) under section 287, in respect of a resolution to approve an Arrangement under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company’s undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by

that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not consented to, or voted in favour of, the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an Arrangement agreement and the Arrangement is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.