



**AQUILA
RESOURCES**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be held on May 26, 2021

- and -

MANAGEMENT INFORMATION CIRCULAR

Dated: April 13, 2021



AQUILA RESOURCES INC.

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 26, 2021**

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of the shareholders of Aquila Resources Inc. (“**Aquila**” or the “**Corporation**”) will be held at the offices of Aquila Resources Inc., 141 Adelaide Street West, Toronto, ON M5H 3L5 on May 26, 2021 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements for the fiscal year ended December 31, 2020 and the auditor’s report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint an auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration; and
4. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Management Information Circular. The Management Information Circular is deemed to form part of this notice of meeting. Please read the Management Information Circular carefully before you vote on the matters being transacted at the Meeting.

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of the novel coronavirus COVID-19, and to mitigate risks to the health and safety of the Corporation’s communities, shareholders, employees and other stakeholders, shareholders are encouraged to vote by proxy and to avoid attending the Meeting in person.

Holders of common shares registered on the books of the Corporation at the close of business on April 6, 2021 are entitled to notice of and to vote at the Meeting.

A registered shareholder may attend the Meeting online himself, herself or itself, or may be represented by proxy. Registered shareholders who are unable to attend the Meeting or any adjournment thereof are requested to date, sign and return the accompanying form of proxy in accordance with the instructions set out therein for use at the Meeting or any adjournment thereof.

To be effective, the enclosed proxy must be mailed or faxed so as to reach or be deposited with the Corporation’s transfer agent, TSX Trust Company at 100 Adelaide Street West, Suite 301, Toronto, ON M5H 1S3 not later than 10:00 a.m. (Toronto time) on May 21, 2021 (or at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Ontario, prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof). Late proxies may be accepted or rejected by the chair of the Meeting (the “**Chair**”) in his or her discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair at his or her discretion, without notice. The Management Information Circular explains how to complete the form of proxy and how the voting process works.

Non-registered beneficial shareholders, whose shares are registered in the name of a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”), should carefully follow the voting instructions provided by their Intermediary.

All non-registered shareholders should follow the instructions set out in the voting instruction form and in the accompanying management information circular to ensure that such shareholders’ common shares will be voted at the Meeting. If you hold your common shares in a brokerage account, you are not a registered shareholder.

DATED this 13 day of April, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Guy Le Bel”

Guy Le Bel

Chief Executive Officer and President



**ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 26, 2021**

MANAGEMENT INFORMATION CIRCULAR

This management information circular (“**Management Information Circular**”) is furnished in connection with the solicitation of proxies by management of Aquila Resources Inc. (the “**Corporation**”) for use at the annual meeting of the shareholders of the Corporation (the “**Meeting**”) to be held at the offices of Aquila Resources Inc., 141 Adelaide Street West, Suite 520, Toronto, ON M5H 3L5 on May 26, 2021 at 10:00 a.m. (Toronto time) or any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of annual meeting of shareholder (the “**Notice of Meeting**”). Unless otherwise stated, all information in this Management Information Circular is current as of April 13, 2021 and all references to dollars, “\$” or “C\$” are to Canadian dollars.

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of the novel coronavirus COVID-19, and to mitigate risks to the health and safety of the Corporation’s communities, shareholders, employees and other stakeholders, shareholders are strongly encouraged to vote by proxy and to avoid attending the Meeting in person.

GENERAL PROXY INFORMATION

Notice-and-Access

The Corporation is using notice-and-access to send the Notice of Meeting, this Management Information Circular, the audited financial statements of the Corporation for the year ended December 31, 2020 and the corresponding management discussion and analysis (collectively the “**Proxy-Related Materials**”) to registered and non-registered shareholders. Under the notice-and-access method, registered and non-registered shareholders will be sent a notice package (the “**Notice Package**”) explaining, among other things, how to access the Proxy-Related Materials and containing a form of proxy or voting instruction form, as applicable.

The Proxy-Related Materials are available electronically for download by shareholders under the Corporation’s profile on SEDAR at www.sedar.com or at <https://docs.tsxtrust.com/2006>. A paper copy of the Proxy-Related Materials may be requested by phone at 1-866-600-5869 or email at TMXEInvestorServices@tmx.com. In order to receive a paper copy in time to vote before the meeting, a request must be received by May 16, 2021.

Solicitation of Proxies

The solicitation of proxies is being made by or on behalf of management of the Corporation. It is expected that the solicitation of proxies will be made primarily by mail, but may be supplemented by telephone or other form of correspondence. The cost of solicitation of proxies will be borne by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**National Instrument 54-101**”). This cost is expected to be nominal.

No person is authorized to give any information or to make any representation other than those contained in this Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Management Information Circular shall not, under

any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

Appointment and Revocation of Proxies – Registered Shareholders

The following instructions are for shareholders whose names are on the records of the Corporation as the registered holders of the common shares of the Corporation (“**Common Shares**”) (“**Registered Shareholders**”) only. A form of proxy for use at the Meeting or any adjournment thereof was mailed to shareholders along with the Notice Package. If a shareholder is a non-registered beneficial shareholder, they should follow their intermediary’s instructions on how to vote their shares. Non-Registered Shareholders (as defined herein) should also refer to the discussion under “*Appointment and Revocation of Proxies – Non-Registered Shareholders*” in this Management Information Circular.

A Registered Shareholder on the record date may vote at the Meeting or appoint a person to represent them at the Meeting by proxy. A shareholder may either instruct that person on how they want that person to vote, or let him or her determine how to vote the shareholder’s shares. **The persons named in the form of proxy accompanying this Management Information Circular are directors and/or officers of the Corporation. A shareholder of the Corporation has the right to appoint a person or company (who need not be a shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof.** Registered Shareholder who wish to appoint a person other than the management nominees identified on the form of proxy, must carefully follow the instructions in this Management Information Circular and on their form of proxy. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX Trust, by emailing tsxtrustproxyvoting@tmx.com the “Request for Control Number” form, which can be found at <http://tsxtrust.com/resource/en/75>, after submitting their form of proxy. **Failure to register the proxyholder with TSX Trust will result in the proxyholder not receiving a control number to participate in the Meeting and only being able to attend as a guest. Guests will not be permitted to vote or ask questions at the Meeting.**

A Registered Shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, with TSX Trust Company at 100 Adelaide Street West, Suite 300, Toronto, ON M5H 1S3 not later than 10:00 a.m. (Toronto time) on May 21, 2021 (or at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Ontario, prior to the time set for the Meeting or any adjournment thereof). Late proxies may be accepted or rejected by the chair of the Meeting (the “**Chair**”) in his or her discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair at his or her discretion, without notice.

Only Registered Shareholder have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and if necessary revoke their proxy.

Appointment and Revocation of Proxies – Non-Registered Shareholders

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Common Shares; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101, the Corporation has distributed copies of the this Management Information Circular and the form of proxy (the “**Meeting Materials**”) to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow; or
- (b) be given a form of proxy which has already been signed by the Intermediary, which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote at the Meeting (or have another person attend and vote on behalf of the Non-Registered Shareholder) should insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

Non-Registered Shareholders who wish to attend and vote at the Meeting must also take the additional step of registering with our transfer agent, TSX Trust, by emailing tsxtrustproxyvoting@tmx.com the “Request for Control Number” form, which can be found at <http://tsxtrust.com/resource/en/75>, after submitting their voting instruction form. **Failure to register with the TSX Trust will result in the non-registered shareholder not receiving a control number to participate in the Meeting and only being able to attend as a guest. Guests will not be permitted to vote or ask questions at the Meeting.**

Only registered shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and if necessary revoke their proxy.

Exercise of Discretion by Proxies

Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder thereon. **In the absence of instructions, such Common Shares will be voted for each of the matters referred to in the Notice of Meeting as specified thereon.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy therein.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Corporation or the duly appointed attorney of the shareholder of the Corporation authorized in writing or, if the shareholder of the Corporation is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a shareholder of the Corporation, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Corporation. A shareholder of the Corporation or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

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

Except as otherwise disclosed herein, none of the directors or officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, 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 matters set out under the heading “Particulars of Matters to be Acted Upon”.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the time of close of business on the Record Date, there were 338,827,832 fully paid and non-assessable Common Shares of the Corporation outstanding. Each Common Share carries the right to one vote per Common Share. Each holder of outstanding Common Shares of record at the time of close of business on April 6, 2021 (the “**Record Date**”) will be given notice of the Meeting and is entitled to vote at the Meeting the number of Common Shares of record held by him, her or it on the Record Date.

Pursuant to the terms of a subscription agreement (the “**Subscription Agreement**”) dated March 31, 2015 between the Corporation and Orion Mine Finance (“**Orion**”) and until such time as Orion’s ownership of Common Shares is less than 10% of the total issued and outstanding Common Shares, Orion is entitled to designate one individual for election or appointment to the Board from time to time. The right of Orion is subject to the provisions of the Subscription Agreement, including the requirement that Orion’s nominee meet the individual qualification requirements for directors under applicable laws.

To the knowledge of the directors and senior officers of the Corporation, only the following persons beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation which have the right to vote in all circumstances.

Name	Number of Common Shares	Percentage of Common Shares Owned
Orion Mine Finance	97,030,609	28.6%
Ruffer LLP	43,108,859	12.7%
Hudbay Minerals Inc.	35,613,912	10.5%

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The articles of the Corporation as amended provide that the Board shall consist of a minimum of one (1) and a maximum of nine (9) directors. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of the current nominees whose names are set forth below.

Management does not contemplate that any of the current nominees will not be able to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument reserve the right to vote for another nominee at their discretion. The terms of office of the Corporation's current directors will expire as of the date of the Meeting. Each director elected at the Meeting will hold office until the next annual meeting of shareholders of the Corporation, or until their successors are elected or appointed in accordance with the provisions of the *Business Corporations Act* (Ontario).

The Board has adopted a majority voting policy in director elections that will apply at any meeting of shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of votes withheld for a particular director nominee is greater than the votes for such director nominee, the director nominee will be required to submit his or her resignation to the Board promptly following the Corporation's annual meeting. Following receipt of resignation, the Corporation's Nomination, Compensation and Governance Committee will consider whether or not to accept the offer of resignation. With the exception of special circumstances, the Nomination, Compensation and Governance Committee will be expected to recommend that the Board accept the resignation. Within 90 days following the Corporation's annual meeting, the Board will make its decision and disclose it by a press release, such press release to include the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to the Corporation's majority voting policy will not be permitted to participate in any meeting of the Board or the Nomination, Compensation and Governance Committee at which the resignation is considered.

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment for the past five years, their periods of service as directors of the Corporation and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

<p><u>Barry Hildred</u> Ontario, Canada Age: 51 Position with the Corporation: Director and Executive Chair of the board of directors Director Since: 2013 Common Shares Held: 3,427,528 ^{(1), (5)}</p>	<p>Principal Occupation:</p>	<p>Executive Chair of the Corporation Principal at Level 2 Advisors</p>
	<p>Biographical Information:</p>	<p>Mr. Hildred is a senior executive and successful entrepreneur with varied business leadership experience. Mr. Hildred served as Chief Executive Officer of the Corporation from March 2013 until February 2021. He was also the founder of The Equicom Group, a company specializing in strategic financial and investor relations services for Canadian public companies. In 2007, The Equicom Group was acquired by the TMX Group, owner and operator of the Toronto Stock Exchange and TSX Venture Exchange. Mr. Hildred also serves on the Board of Directors of The Children's Aid Foundation of Canada where he is Past-Chair.</p>

<p><u>Edward Munden</u> ^{(2), (3)} Ontario, Canada</p> <p>Age: 70</p> <p>Position with the Corporation: Lead Director of the board of directors</p> <p>Director Since: 2001</p> <p>Common Shares Held: 741,612 ^{(1), (6)}</p>	<p>Principal Occupation:</p> <p>Biographical Information:</p>	<p>Lead Director of the board of directors of Aquila</p> <p>Mr. Munden has held various executive and Board positions in the energy, mining and technology industries for more than 35 years. From 2001 to present, Mr. Munden has focused on development and financing of private oil and gas companies and of leasing and drilling projects, primarily in Texas. In 1994, Mr. Munden co-founded a Dallas based NASDAQ traded energy company engaged in the exploration, development and acquisition of oil and natural gas properties and held senior level positions including Director, Chairman, President and CEO until it was sold in December 2001. From 1999 to present, Mr. Munden has been a director of Grid Metals Corp. (formerly Mustang Minerals Corporation), a Toronto based TSXV traded mineral exploration company. He is a professional geological engineer and holds a Bachelor of Science degree in Engineering and a Masters of Business Administration from Queen’s University in Kingston, Canada.</p>
<p><u>Andrew W. Dunn,</u> ⁽³⁾ FCPA, FCA Ontario, Canada</p> <p>Age: 57</p> <p>Position with the Corporation: Director</p> <p>Director Since: 2015</p> <p>Common Shares Held: 905,000 ^{(1), (7)}</p>	<p>Principal Occupation:</p> <p>Biographical Information:</p>	<p>Managing Partner of Canadian Shield Capital</p> <p>Mr. Dunn is the Managing Partner of Canadian Shield Capital, a private equity investment and advisory firm focused on building great Canadian businesses with strong management teams. Mr. Dunn spent 27 years at Deloitte, serving as Vice Chair of Deloitte Canada and Chair of its Client Cabinet, responsible for the firm’s largest client and government relationships. He played numerous roles on the firm’s Canadian and global executive teams, including Managing Partner of Tax in Canada. Mr. Dunn previously co-founded Atlas Partners, serving as Chief Operating Officer and Co-Managing Partner. Mr. Dunn serves on the boards of Hatch, G.S. Dunn, Nutri-Pea (where he is Chair of the Board), the McMichael Canadian Art Foundation and the McMichael Canadian Art Collection (where he is Past-Chair of the Board). He is a Fellow Chartered Accountant (FCPA, FCA) and holds a Bachelor of Arts and a Masters of Accounting from the University of Waterloo.</p>
<p><u>Ian Pritchard</u> ^{(2), (4)} Ontario, Canada</p> <p>Age: 60</p> <p>Position with the Corporation: Director</p> <p>Director Since: 2017</p> <p>Common Shares Held: 131,000</p>	<p>Principal Occupation:</p> <p>Biographical Information:</p>	<p>Chief Operating Officer of Belo Sun Mining Corp.</p> <p>Mr. Pritchard has over 30 years of experience in project and operations management in the mining industry both in North America as well as internationally. Mr. Pritchard’s mining experience includes the management of pre-feasibility and feasibility studies, engineering, procurement and construction management projects. He is Chief Operating Officer of Belo Sun Mining Corp. and has held senior executive positions at various organizations worldwide.</p>

<p><u>Pamela Saxton</u> ^{(2), (3)} Colorado, USA</p> <p>Age: 69</p> <p>Position with the Corporation: Director</p> <p>Director Since: 2019</p> <p>Common Shares Held: Nil</p>	<p>Principal Occupation:</p> <p>Biographical Information:</p>	<p>Professional director</p> <p>Ms. Saxton is a business executive with over 35 years of experience in domestic and international public company finance roles, primarily in mining, software and oil and gas. Ms. Saxton currently serves on the board of Bunker Hill Mining Corporation, a Toronto based CSE traded mineral development and exploration company, since November 2020, and also currently serves on a North American advisory board for Damstra Holdings Limited – Damstra Technology, an Australian publicly traded provider of integrated workplace management solutions, since February 2021. Ms. Saxton also served on the board of Pershing Gold Corporation from November 2017 until it was acquired in April 2019. Ms. Saxton has held senior executive finance positions at several mining and oil and gas companies, most recently serving as Executive Vice President and Chief Financial Officer of Thompson Creek Metals Company Inc. from August 2008 to October 2016. Prior to 2008, Ms. Saxton was Vice President Finance—U.S. Operations of Franco-Nevada Corporation, Vice President and Chief Financial Officer of New West Gold Corporation, Vice President and Controller of Amax Gold Inc. and Assistant Controller of Cyprus Amax Minerals Inc. Ms. Saxton also was the Vice President of Finance, Corporate Controller and Chief Accounting Officer for J.D. Edwards & Company. Ms. Saxton began her career with Arthur Andersen & Company after receiving her Bachelor of Science in Accounting from the University of Colorado. Since September 1987, she has served as a Trustee and since January 2017 serves as Vice President for the Viola Vestal Coulter Foundation, which provides scholarships to various colleges and universities, with a focus on mining. She is also the Past Chair of the Board for the Colorado Association of Commerce and Industry, a state chamber of commerce.</p>
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<p>Paul Johnson ^{(4), (8)} Quebec, Canada</p> <p>Age: 63</p> <p>Position with the Corporation: Director</p> <p>Director Since: 2020</p> <p>Common Shares Held: Nil</p>	<p>Principal Occupation:</p> <p>Biographical Information:</p>	<p>Professional director</p> <p>Mr. Johnson is a mining engineer with close to 40 years of experience in the mining industry. He joined Osisko Gold Royalties in August 2017 as Open Pit Project Evaluation Manager until his retirement in January 2020. Before joining Osisko, Paul worked for Hewitt Equipment, Mining Division as Senior Manager Strategic Development. He also worked for BlackRock Metals on their Iron Ore/Vanadium project as VP Mine Development. He joined the Osisko Mining Corporation team as Manager Mining and General Manager of Technical Services. He was part of the initial development team for their Canadian Malartic project. Previously, he occupied the Mine Engineering Manager position for Iamgold following the acquisition of Cambior where he held several positions for sixteen years all related to Open Pit mine operation. He actively participated in the development of Rosebel Gold Mines as Mine Manager from feasibility study to construction and operation. Paul began his career in the Quebec North shore area working for Quebec Cartier Mining and Quebec Iron and Titanium. He holds a Bachelor of Mining Engineering from Laval University, Quebec.</p>
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Notes:

- (1) The information as to Common Shares beneficially owned is not within the knowledge of the Corporation and has therefore been furnished by directors individually.
- (2) Member of the Nomination, Compensation and Governance Committee.
- (3) Member of the Audit Committee.
- (4) Member of the Technical, Environmental, Health & Safety Committee. Stephanie Malec, Aquila's CFO, is also a member of the Technical, Environmental, Health & Safety Committee.
- (5) Mr. Hildred personally owns 739,318 Common Shares. 39,000 Common Shares are held by Mr. Hildred's wife Alison Tina Hildred. Mr. Hildred controls an additional 2,649,210 Common Shares through Red Roof Capital.
- (6) Mr. Munden personally owns 350,000 Common Shares. He controls an additional 391,612 Common Shares through Nexxt Capital Corp.
- (7) Mr. Dunn personally owns 400,000 Common Shares. 505,000 Common Shares are held by Mr. Dunn's wife Christine L. Dunn.
- (8) Mr. Johnson was appointed to the board of directors on September 23, 2020.

To the knowledge of the Corporation, except as noted below no proposed director of the Corporation is, or within the 10 years before the date of this Management Information Circular has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

No proposed director of the Corporation has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become

subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Appointment and Remuneration of Auditors

Management of the Corporation is proposing to appoint PricewaterhouseCoopers LLP as auditors of the Corporation for the current fiscal year. PricewaterhouseCoopers LLP was first appointed the auditor of the Corporation on February 12, 2016.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP as the auditors of the corporation for the current fiscal year and authorizing the Board to fix their remuneration.

Other Business

The Corporation knows of no matter to come before the annual meeting of shareholders other than the matters referred to in the Notice of Meeting.

EXECUTIVE COMPENSATION

Definitions

In this section:

“**CEO**” means an individual who acted as chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

The Board, through the Nomination, Compensation and Governance Committee, is responsible for the compensation program for the Corporation’s NEOs. For further information regarding the Nomination, Compensation and Governance Committee, see “Corporate Governance – Board Committees”.

The compensation program's objectives are to:

- (a) attract and retain qualified and experienced executives to drive the continued development of the Corporation and its current and future exploration assets, thereby creating shareholder value; and
- (b) provide executives with appropriate compensation and incentives so as to encourage the development of the Corporation.

Compensation for the Corporation's NEOs consists of the following:

- (a) a base salary;
- (b) benefits;
- (c) bonuses; and
- (d) long term incentive in the form of equity-based awards.

The Nomination, Compensation and Governance Committee, with the approval of the Board as a whole, determines the level of compensation in respect of the Corporation's senior executives. Given the early-stage status of the Corporation, the Board has relied on the directors' significant collective experience and discussion to determine compensation parameters for all NEOs. In setting compensation for the NEOs, reference was also made by the Board to executive compensation disclosed by similarly situated companies to ensure that overall compensation is consistent with market norms and consideration was given to the Corporation's working capital requirements. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, taking into consideration the Corporation's resources and current industry practices, and overall contribution to the success of the Corporation.

Base salary

The Corporation provides executive officers with base salaries which represent their minimum compensation for services rendered during the fiscal year. NEO's base salaries depend on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, the Corporation's existing financial resources and the potential long term compensation provided by equity-based awards as discussed below. In addition to the above factors, decisions regarding any salary increases are impacted by each NEO's current salary.

Benefits

The NEOs are eligible to participate in the same benefits as offered to all full-time employees. This includes participation in a traditional employee benefit plan consisting of health and dental care and various forms of life insurance. The Corporation does not view these benefits as a significant element of its compensation structure, as they constitute only a small percentage of total compensation, but does believe that benefits, used in conjunction with base salary, help to attract and retain individuals in a competitive environment.

Bonuses

Annual cash bonuses are variable components of compensation and are short-term incentives. The Nomination, Compensation and Governance Committee assesses the Corporation's achievement of its business strategy and the individual performance of each executive officer annually and determines the amount of the award, if any, at its discretion. Factors considered in determining bonus amounts include individual performance, financial criteria (such as successful financings), operational criteria (such as significant mineral property acquisitions) and the attainment of other corporate milestones. These bonuses, payable in a combination of cash and/or equity-based awards are designed to focus executive attention on key strategic and operational measures and align compensation with corporate performance.

In determining the award of performance bonuses, including the amounts thereof, the Board uses its discretion and takes into consideration the Corporation's annual achievements, applying weightings to determine overall percentage bonus.

Equity-Based Awards

The grant of equity-based awards to acquire Common Shares is an integral component of the compensation packages of the senior officers of the Corporation. The Nomination, Compensation and Governance Committee believes that the grant of equity-based awards to executive officers serves to motivate achievement of the Corporation's long-term strategic objectives and the result will benefit all shareholders. Equity-based awards are granted by the Board based upon the recommendation of the Nomination, Compensation and Governance Committee. The overall number of equity-based awards that are outstanding relative to the number of outstanding Common Shares is also considered in determining whether to make any new grants of equity-based awards and the size of such grants. Since the Corporation does not grant equity-based awards at a discount to the prevailing market price of the Common Shares, the equity-based awards granted to senior officers have value only if, and to the extent that, the market price of the Common Shares increases, thereby linking equity-based executive compensation to shareholder returns.

On May 23, 2017, the Corporation's Equity Incentive Plan (as defined herein) became effective and provides for the granting of equity-based awards, including options, restricted share units and deferred share units as the Plan Administrator may determine, the key terms of which are summarized under "Equity Incentive Plan". On September 23, 2020, shareholders voted to approve all unallocated options, rights and entitlements issuable pursuant to the Equity Incentive Plan. The Corporation's previous Stock Option Plan (as defined herein) remains in effect only in respect of outstanding options and no further options will be granted under the Stock Option Plan. The key terms of the Stock Option Plan are summarized under "2006 Stock Option Plan".

See "Summary Compensation Table" and "Incentive Plan Awards" below for information regarding the equity-based awards granted to the NEOs in 2020.

Miscellaneous Compensation Elements

The Corporation does not provide the NEOs with any personal benefits other than contained herein, nor does the Corporation provide any additional compensation to its NEOs for serving as directors of the Corporation, other than the granting to them from time to time of equity-based awards. A pension plan benefit is in place for employees of a U.S subsidiary of the Corporation, however none of the NEOs receive such benefits. None of the NEOs, senior officers or directors of the Corporation is indebted to the Corporation.

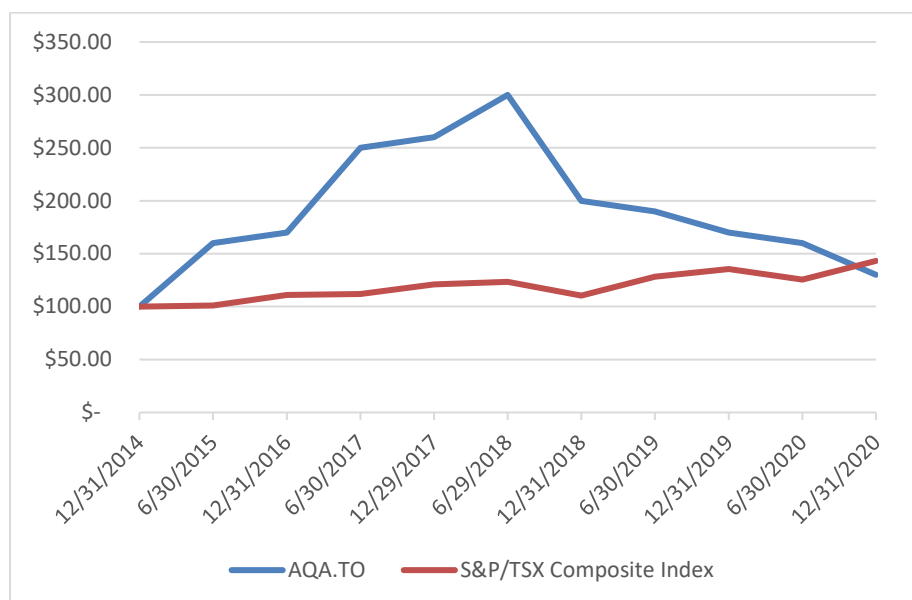
The Nomination, Compensation and Governance Committee has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's objectives and strategies and to evaluate the potential risks associated with those plans and programs. The Nomination, Compensation and Governance Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

The Nomination, Compensation and Governance Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs. In determining the annual objectives relating to such annual bonus and long term incentive compensation, The Nomination, Compensation and Governance Committee considers major risks that face the Corporation such as health, safety and environment risks, and ensures that the objective of the NEOs include managing such risks.

The Corporation does not currently have a policy that restricts executive officers or directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of the Corporation's equity securities. Any such purchases would be required to be disclosed in insider report filings, and to date no such purchases have been disclosed.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder's return on the Common Shares against the cumulative total return of the S&P/TSX Composite Index for the period from December 31, 2014 to December 31, 2020. Returns were calculated on the basis of a \$100 investment made as at December 31, 2014.



Summary Compensation Table

The following table, presented in accordance with National Instrument Form 51-102F6 – *Statement of Executive Compensation*, sets forth all annual and long term compensation for services in all capacities to the Corporation in respect of each NEO as at December 31, 2020. All values are in Canadian dollars.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Barry Hildred ⁽³⁾ Chief Executive Officer	2020	318,500	45,045	31,982	Nil	Nil	Nil	Nil	395,527
	2019	364,000	Nil	Nil	Nil	Nil	Nil	Nil	364,000
	2018	364,000	79,600	60,758	116,025	Nil	Nil	Nil	620,383
Stephanie Malec Chief Financial Officer	2020	183,750	10,395	9,297	Nil	Nil	Nil	Nil	203,442
	2019	210,000	Nil	Nil	Nil	Nil	Nil	Nil	210,000
	2018	200,000	16,250	14,871	21,250	Nil	Nil	Nil	252,371
Michael Welch ¹	2020	63,292	Nil	Nil	Nil	Nil	Nil	Nil	63,292

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Chief Operating Officer ⁽⁴⁾	2019	275,000	Nil	Nil	Nil	Nil	Nil	Nil	275,000
	2018	229,792	217,000	80,422	46,750	Nil	Nil	Nil	573,964
Andrew Boushy Senior Vice President, Projects ⁽⁵⁾	2020	240,625	22,679	16,102	Nil	Nil	Nil	Nil	279,406
	2019	275,000	Nil	Nil	Nil	Nil	Nil	Nil	275,000
	2018	275,000	39,632	30,780	58,437	Nil	Nil	Nil	403,849

Notes:

- (1) These amounts represent the fair value of the restricted share units granted to the respective Named Executive Officers in 2017 and 2018. These amounts were calculated by multiplying the number of restricted share units granted in 2018 by \$0.25, \$0.26 and \$0.16 and in 2020 by \$0.13, each being the market prices of the Common Shares on the grant dates as provided for in the Equity Incentive Plan.
- (2) The amounts in this column represent the fair value of stock options, which is estimated on the date of the grant using a Black-Scholes option-pricing model.
- (3) Barry Hildred transitioned to the role of Executive Chair of the Board effective February 1, 2021.
- (4) Michael Welch was appointed as COO in March 2018 and left the Corporation in July 2020.
- (5) Andrew Boushy was appointed VP, Project Development in April 2015 and Senior VP, Projects in March 2018. Effective January 1, 2021, Andrew Boushy transitioned from his previous role as Senior VP, Projects into a consulting arrangement pursuant to which he services as technical consultant to the Corporation.

Employment Agreements

Effective January 1, 2015, the Corporation entered into an employment agreement with Mr. Hildred. Pursuant to the agreement, Mr. Hildred receives an annual salary of \$250,000, which is subject to future reviews or adjustments by the Board. The agreement further provides that Mr. Hildred is eligible to receive an annual incentive bonus of up to 50% of his annual base salary, conditional upon the Corporation's overall operational and financial performance and Mr. Hildred's achievement of certain personal performance criteria and milestones to be agreed annually between him and the Board of the Corporation. For the year ended December 31, 2020, Mr. Hildred received 450,450 options to purchase Common Shares (issued on November 17, 2020 at an exercise price of \$0.13 until November 17, 2028) and 300,300 restricted share units (granted on November 17, 2020).

Effective July 1, 2015, the Corporation entered into an employment agreement with Ms. Malec. Pursuant to the agreement, Ms. Malec receives an annual salary of \$180,000, which is subject to future reviews or adjustments by the Board of the Corporation. The agreement further provides that Ms. Malec is eligible to receive an annual incentive bonus of up to 25% of her annual base salary, conditional upon the Corporation's overall operational and financial performance and Ms. Malec's achievement of certain personal performance criteria and milestones to be agreed annually between her and the Chief Executive Officer of the Corporation. For the year ended December 31, 2020, Ms. Malec received 103,950 options to purchase Common Shares (issued on November 17, 2020 at an exercise price of \$0.13 until November 17, 2028) and 69,300 restricted share units (granted on November 17, 2020).

Effective June 1, 2015, the Corporation entered into an employment agreement with Mr. Boushy. Pursuant to the agreement, Mr. Boushy receives an annual salary of \$200,000, which is subject to future reviews or adjustments by the Board of the Corporation. The agreement further provided that Mr. Boushy is eligible to receive an annual incentive bonus of up to 30% of his annual base salary, conditional upon the Corporation's overall operational and financial performance and Mr. Boushy's achievement of certain personal performance criteria and milestones to be agreed annually between him and Chief Executive Officer of the Corporation. For the year ended December 31, 2020, Mr. Boushy received 226,785 options to purchase Common Shares (issued on November 17, 2020 at an exercise price of \$0.13 until November 17, 2028) and 151,190 restricted share units (granted on November 17, 2020). Mr. Boushy's

employment contract terminated effective January 1, 2021 in connection with the transition to his current role as a technical consultant to the Corporation.

Outstanding Share-Based Awards and Option-Based Awards²

The following table discloses the particulars of all equity-based awards for each NEO outstanding at the end of the Corporation's financial year ended December 31, 2020.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of Shares or Units of Shares That Have Not Vested	Market or Payout Value of Share Based Awards That Have Not Vested (\$) ⁽²⁾	Market or Payout Value of Vested Share Based Awards Not Paid Out or Distributed (\$)
Barry Hildred President & Chief Executive Officer	5,000,000	0.15	January 16, 2022	Nil	3,583,424	322,508	Nil
	1,500,000	0.19	April 6, 2023	Nil			
	1,000,000	0.19	January 11, 2024	Nil			
	100,000	0.15	February 8, 2024	Nil			
	837,500	0.265	February 10, 2025	Nil			
	150,000	0.25	January 11, 2026	Nil			
	563,228	0.16	December 17, 2026	Nil			
	250,000	0.16	December 17, 2026	Nil			
	450,450	0.13	November 17, 2028	Nil			
Stephanie Malec Chief Financial Officer	750,000	0.19	June 25, 2023	Nil	413,050	37,175	Nil
	100,000	0.19	January 11, 2024	Nil			
	50,000	0.15	February 8, 2024	Nil			
	167,500	0.265	February 10, 2025	Nil			
	35,000	0.25	January 11, 2026	Nil			
	200,000	0.16	December 17, 2026	Nil			
	103,155	0.16	December 17, 2026	Nil			
	103,950	0.13	November 17, 2028	Nil			
Andrew Boushy Senior Vice President, Projects	1,100,000	0.19	April 6, 2023	Nil	1,059,573	95,362	Nil
	400,000	0.19	January 11, 2024	Nil			
	100,000	0.15	February 8, 2024	Nil			
	379,000	0.265	February 10, 2025	Nil			
	85,000	0.25	January 11, 2026	Nil			
	266,990	0.16	December 17, 2026	Nil			
	200,000	0.16	December 17, 2026	Nil			
	226,785	0.13	November 17, 2028	Nil			

Notes:

- (1) All options are for Common Shares.
- (2) The amounts in this column represent the fair value of restricted share units, which is calculated based on the closing price of the Corporation's common shares on the TSX of \$0.09 on April 12, 2021.

Incentive Plan Awards

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2020 and as of the date hereof.

Name	Option-based awards - Value vested (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year
Barry Hildred, CEO	65,801	14,238
Stephanie Malec, CFO	19,702	2,875
Michael Welch, COO ⁽²⁾	Nil	2,303
Andrew Boushy, Senior Vice President, Projects	34,832	7,053

Notes:

- (1) The amounts in this column represent the fair value of stock options, which is estimated on the date of the grant using a Black-Scholes option-pricing model.
- (2) Michael Welch left the Corporation in July, 2020.

Incentive Plan Awards - Narrative Discussion

All options granted by the Corporation have an exercise price at or above the closing price of the Common Shares on the day prior to the date of grant. There were no re-pricings of stock options or otherwise during or subsequent to the Corporation's completed financial year ended December 31, 2020. The total number of options to purchase Common Shares that were outstanding at December 31, 2020 was 20,409,243.

Pension Plan Benefits

The Corporation does not have any deferred compensation plans relating to any NEO.

Termination and Change of Control Benefits

Mr. Hildred's employment agreement provides that in the event Mr. Hildred is terminated, for any reason other than cause, Mr. Hildred is entitled to a payment equal to 24 months total pay (24 months base salary plus two times the aggregate amount of all bonus payments, if any, paid to Mr. Hildred in respect of the Corporation's most recently completed year). The agreement also deems Mr. Hildred will receive his full bonus for the current year (50% of his then annual base salary). If Mr. Hildred ceases to be employed by the Corporation for any reason (including resignation) within six months of a change of control of the Corporation, Mr. Hildred will receive the same compensation as described above.

Ms. Malec's employment agreement provides that in the event Ms. Malec is terminated, for any reason other than cause, Ms. Malec is entitled to a payment equal to six months base salary plus one month for every year of employment at Aquila, capped at 12 months. If Ms. Malec ceases to be employed by the Corporation for any reason (including resignation) within six months of a change of control of the Corporation, Ms. Malec will receive the same compensation as described above plus an additional six months of base salary.

The following table provides details regarding the estimated incremental payments that the Corporation would have had to make to Mr. Hildred and Ms. Malec, assuming that such executive's employment agreement was terminated by the Corporation without cause or following a change of control of the Corporation on December 31, 2020:

NEO	Incremental Payment for Termination Without Cause (\$)	Incremental Payment for Termination Without Cause Following a Change of Control (\$)
Barry Hildred	1,092,000	1,092,000
Stephanie Malec	192,500	297,500

Director Compensation

Overview

The Board approved a new director compensation arrangement effective February 9, 2017. This new arrangement provides each director with an annual base fee of \$25,000, except directors who are NEOs. The Chair of the Board receives an additional fee of \$25,000 per year. Directors who assume the Chair of a Board committee (other than the Audit Committee) receive an additional \$15,000 per year and the Chair of the Audit committee receives an additional fee of \$15,000 per year. The Corporation also reimburses all reasonable expenses incurred by directors in respect of their duties. The Corporation has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except equity compensation awards. The Board has determined that director compensation should be reviewed periodically as the Corporation continues to execute its strategic plan and has reserved the right to adjust fees in order to fairly compensate directors for the actual workload demanded of them.

For Year-Ended December 31, 2020

The following table sets forth the value of all compensation earned by the non-NEO directors in their capacity as directors during the most recently completed financial year ended December 31, 2020. All values are in Canadian dollars.

Name	Fees earned (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-Equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Edward J. Munden	Nil	37,500	Nil	Nil	Nil	Nil	37,500
Andrew W. Dunn	Nil	30,000	Nil	Nil	Nil	Nil	30,000
Ian Pritchard	Nil	30,000	Nil	Nil	Nil	Nil	30,000
Pamela Saxton	Nil	18,750	Nil	Nil	Nil	Nil	18,750
Paul Johnson ⁽³⁾	Nil	6,250	21,300	Nil	Nil	Nil	27,550

Notes:

- (1) These amounts represent the fair value of the deferred share units granted to the respective directors in 2020 in lieu of receiving director fees. These amounts were calculated by multiplying the number of deferred share units granted on a quarterly basis by \$ 0.15 and \$ 0.13 being the market prices of the Common Shares on the grant date as provided for in the Equity Incentive Plan.
- (2) The amounts in this column represent the fair value of stock options, which is estimated on the date of the grant using a Black-Scholes option-pricing model.
- (3) Mr. Johnson was elected to the board of directors on September 23, 2020.

The following table discloses the particulars of all option awards for each non-NEO director outstanding at the end of the Corporation's financial year ended December 31, 2020.

Name	Option-Based Awards			
	Number of Securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾
Edward J. Munden	400,000	0.15	January 16, 2022	Nil
	200,000	0.19	April 6, 2023	Nil
	150,000	0.15	February 8, 2024	Nil
	100,000	0.265	February 10, 2025	Nil
Andrew W. Dunn	500,000	0.19	June 25, 2023	Nil
	150,000	0.15	February 8, 2024	Nil
	75,000	0.265	February 10, 2025	Nil
Ian Pritchard	300,000	0.265	February 10, 2025	Nil
Pamela Saxton	300,000	0.20	June 24, 2027	Nil
Paul Johnson ⁽³⁾	300,000	0.13	November 17, 2028	Nil

Notes:

- (1) All options are exercisable for Common Shares.
- (2) The amounts in this column represent the fair value of stock options, which is estimated on the date of the grant using a Black-Scholes option-pricing model.
- (3) Mr. Johnson was elected to the board of directors on September 23, 2020.

No other compensation during the most recently completed financial year was paid to directors pursuant to any other arrangement or in lieu of any standard arrangement. The Corporation reimburses all reasonable expenses incurred by directors in respect of their duties. Other than as set forth in the foregoing, no director of the Corporation who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Corporation's compensation plans under which equity securities of the Corporation were authorized for issuance as at the date hereof.

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities outstanding)
Equity compensation plans approved by security holders (Stock Option Plan and Equity Incentive Plan)	26,018,773	0.23	7,864,010
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	26,018,773	0.23	7,864,010

Burn Rate of the Corporation's Stock Option Plan and Equity Incentive Plan

The following table shows the number of awards granted as a percentage of average Common Shares outstanding (the “**burn rate**”) for the past three years. The burn rate is defined as the number of awards granted in a fiscal year, less any cancellations or forfeitures, divided by the weighted average number of Common Shares in that year:

	As at December 31, 2018	As at December 31, 2019	As at December 31, 2020
Net grants under the Stock Option Plan (2015-2016)	(235,000)	Nil	(50,000)
Net grants under the Equity Incentive Plan (2017-2020)	6,911,197	300,000	(1,219,815)
Burn rate	2.1%	0.1%	(0.003)%

Equity Incentive Plan

On April 20, 2017, the Board passed a resolution to adopt an equity incentive plan (the “**Equity Incentive Plan**”), subject to, and effective upon, the approval of shareholders, which was received on May 23, 2017. On September 23, 2020, shareholders approved all unallocated options, rights and entitlements issuable pursuant to the Equity Incentive Plan (the “**Re-approval**”). The Re-approval of the Equity Incentive Plan will be effective until September 23, 2023, at which time unallocated options, rights and entitlements under the Equity Incentive Plan must then be resubmitted for approval by the shareholders.

The Equity Incentive Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of options, deferred share units and restricted share units (as described in further detail below) to attract, retain and motivate qualified directors, officers, employees and consultants of the Corporation and its subsidiaries by affording such persons the opportunity to acquire an equity interest in the Corporation through the grant of options to purchase Common Shares. A summary of the key terms of the Equity Incentive Plan, which is qualified in its entirety by reference to the full text of the Equity Incentive Plan, which is available on SEDAR at www.sedar.com, can be found below under “— Key Terms of the Equity Incentive Plan”.

Key Terms of the Equity Incentive Plan

Common Shares Subject to the Equity Incentive Plan

Subject to the adjustment provisions provided for in the Equity Incentive Plan, the total number of Common Shares reserved for issuance pursuant to awards granted under the Equity Incentive Plan and the Stock Option Plan (as defined herein) shall not exceed 10% of the issued and outstanding Common Shares from time to time. The Equity Incentive Plan is considered an “evergreen” plan, since the shares covered by awards which have been exercised or terminated shall be available for subsequent grants under the Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding units increases.

The number of Common Shares issuable to insiders under the Equity Incentive Plan and all other security-based compensation arrangements cannot exceed 10% of the issued and outstanding Common Shares at any time. The number of Common Shares issued to insiders within any one year period and all other security-based compensation arrangements, including, but not limited to, the Equity Incentive Plan, cannot exceed 10% of the issued and outstanding Common Shares. Furthermore, the Plan Administrator (as defined below) shall not make grants of awards to eligible persons who are directors but not otherwise employees of the Corporation if, after giving effect to such grants of awards, the aggregate number of Common Shares issuable to such directors, at the time of such grant, under all of the Corporation’s security based compensation arrangements exceeds 1% of the issued and outstanding Common Shares, and within any one financial year of the Corporation, the aggregate fair value on the date of grant of all awards granted to any director under all of the Corporation’s security based compensation arrangements shall not exceed \$100,000; provided that such limits shall not apply to deferred share units granted to a director in lieu of any cash retainer or meeting fees and provided further that deferred share units shall not be included in determining the aggregate fair value on the date of grant of deferred share units granted is equal to (a) the amount of the cash retainer or meeting fees in respect of which such deferred share units were granted, or (b) a one-time initial grant to a director upon such director joining the board.

Administration of the Equity Incentive Plan

The plan administrator of the Equity Incentive Plan (the “**Plan Administrator**”) is determined by the Board, and is initially the Nomination, Compensation and Governance Committee, but may in the future be administered by the Board itself or delegated to such other committee as may be established by the Board from time to time. The Plan Administrator determines which employees, directors, officers or consultants are eligible to receive awards under the Equity Incentive Plan. In addition, the Plan Administrator interprets the Equity Incentive Plan and may adopt administrative rules, regulations, procedures and guidelines governing the Equity Incentive Plan or any awards granted under the Equity Incentive Plan as it deems to be appropriate.

Types of Awards

The following types of awards may be made under the Equity Incentive Plan: stock options, restricted share units and deferred share units. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting, settlement or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

1. Stock Options

A stock option is a right to purchase Common Shares upon the payment of a specified exercise price as determined by the Plan Administrator at the time the stock option is granted. Subject to certain adjustments and whether the Common Shares are then trading on any stock exchange, the exercise price shall be the volume weighted average closing price of the Common Shares for the five days immediately preceding the date of grant (the “**Market Price**”). The Plan Administrator, has the authority to determine the vesting terms applicable to the grants of options. Subject

to any accelerated termination as set forth in the Equity Incentive Plan, each stock option expires on the date that is the earlier of ten years from the date of grant or such earlier date as may be set out in the participant's award agreement.

Unless otherwise specified by the Plan Administrator at the time of granting a stock option, the exercise notice of such option must be accompanied by payment in full of the purchase price for the Common Shares underlying the options to be purchased. The exercise price must be fully paid by certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (a) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the exercise price is accomplished with the proceeds of the sale of Common Shares deliverable upon the exercise of the stock option, (b) through the cashless exercise process set out in the Plan and described below, or (c) such other consideration and method of payment for the issuance of Common Shares to the extent permitted by applicable securities laws, or any combination of the foregoing methods of payment.

Subject to the approval of the Plan Administrator, a Participant (as defined in the Equity Incentive Plan) may elect to receive upon the exercise of a stock option in accordance with the terms of the Equity Incentive Plan (instead of payment of the exercise price and receipt of Common Shares issuable upon payment of the exercise price) the number of Common Shares equal to: (a) the Market Price of the Common Shares issuable on the exercise of such stock option (or portion thereof) as of the date such stock option (or portion thereof) is exercised, less (b) the aggregate exercise price of the stock option (or portion thereof) surrendered relating to such Common Shares, divided by (c) the Market Price per Common Share, as of the date such stock option (or portion thereof) is exercised.

No Common Shares will be issued or transferred upon the exercise of stock options in accordance with the terms of the grant until full payment therefor has been received by the Corporation.

2. Restricted Share Units

A restricted share unit is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Common Share for each restricted share unit after a specified vesting period determined by the Plan Administrator. The number of restricted share units (including fractional restricted share units) granted at any particular time is determined by dividing (a) the aggregate dollar value of the applicable grant, by (b) the Market Price of a Common Share on the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested restricted share unit, or (b) subject to the approval of the Plan Administrator, a cash payment. The cash payment is determined by multiplying the number of restricted share units redeemed for cash by the Market Price of the Common Share on the date of settlement.

3. Deferred Share Units

A deferred share unit is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Common Share for each deferred share unit on a future date, generally upon termination of service to the Corporation. The number of deferred share units (including fractional deferred share units) granted at any particular time is determined by dividing (a) the aggregate dollar value of the applicable grant, by (b) the Market Price of a Common Share on the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested deferred share unit, or (b) subject to the approval of the Plan Administrator, a cash payment. The cash payment is determined with reference to the Market Price in the same manner as with the restricted share units.

4. Dividend Equivalents

Restricted share units and deferred share units shall be credited with dividend equivalents in the form of additional restricted share units and deferred share units, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of restricted share units and deferred share units, as applicable, held by the participant on the record date for

the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out Periods

If an award expires during, or within five business days after, a trading black-out period (a “**Black-Out Period**”) imposed by the Corporation to restrict trades in its securities, then, notwithstanding any other provision of the Equity Incentive Plan, unless the delayed expiration would result in tax penalties, the award shall expire ten business days after the Black-out Period is lifted by the Corporation.

Terminations

All awards granted under the Equity Incentive Plan will expire on the date set out in the applicable award agreement, subject to early expiry in certain circumstances, provided that in no circumstances will the duration of an award granted under the Equity Incentive Plan exceed 10 years from its date of grant.

Termination of Employment or Services

The following table describes the impact of certain events that may, unless otherwise determined by the Plan Administrator or as set forth in an award agreement, lead to the early expiry of awards granted under the Equity Incentive Plan:

Event	Consequences
For all Participants	
In the case of death or disability	Acceleration of vesting of all unvested awards
Voluntary resignation or termination for cause	Forfeiture of all unvested awards
Termination other than for cause	Acceleration of vesting of a prorated portion of all unvested awards Forfeiture of all other unvested awards

Change in Control

Except as provided in an employment, consulting or written arrangement, if a participant’s employment, consulting agreement or arrangement is terminated within 12 months following a change in control, all awards vest and options may be exercised until the earlier of (a) 90 days after termination and (b) the expiry date of the option. However, the Equity Incentive Plan provides that in connection with a change in control, the Plan Administrator may (a) cause awards to be converted or exchanged into or for rights or other securities in any entity participating in or resulting from the change in control, (b) cause any unvested or unearned awards to become fully vested or earned upon or immediately prior to the occurrence of such change in control, (c) terminate an award for cash and/or other property, or (d) replace the awards with other rights.

Subject to certain exceptions, a change in control means (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Common Shares, (b) the sale of all or substantially all of the assets or the dissolution of the Corporation, (c) the acquisition of the Corporation via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (d) individuals who comprise the Board at the last annual meeting of shareholders (the “**Incumbent Board**”) cease to constitute at least a majority of the Board, unless the election, or nomination for election by the shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, or in which case such new director shall be considered as a member of the Incumbent Board.

Non-Transferability of Awards

Subject to certain exceptions provided under the Equity Incentive Plan, and unless otherwise provided by the Plan Administrator, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards granted under the Equity Incentive Plan, whether voluntary, involuntary, by operation of law or otherwise, is permitted.

Amendments to the Equity Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting shares, amend, modify, change, suspend or terminate the Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a holder or materially increase any obligations of a holder under the Equity Incentive Plan without the consent of such holder, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a Foreign Taxpayer (as such term is defined in the Equity Incentive Plan) to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the United States Internal Revenue Code of 1986, as amended, shall be null and void ab initio.

Notwithstanding the above and subject to the rules of the TSX, the approval of shareholders is required to effect any of the following amendments to the Equity Incentive Plan:

- (a) increasing the percentage of Common Shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to insiders;
- (c) reducing the exercise price of an award except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extending the term of an award beyond the original expiry date (except in connection with a black-out period as described above);
- (e) permitting an award to be exercisable beyond 10 years from the date of grant (except in connection with a black-out period as described above);
- (f) increasing or removing the limits on the participation of non-employee directors;
- (g) permitting awards to be transferred to a person; or
- (h) deleting or otherwise limiting the amendments which require approval of the shareholders.

Except for the items listed above, amendments to the Equity Incentive Plan do not require shareholder approval. Such amendments include: (a) amending the general vesting provisions, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Corporation for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

2006 Stock Option Plan

From May 28, 2006 until May 23, 2017, the Corporation maintained a stock option plan (the “**Stock Option Plan**”) for the directors, officers, employees, consultants and other service providers of the Corporation. The Stock Option Plan was first approved at an annual meeting of shareholders of the Corporation on May 28, 2006, amended on June 25, 2008 and ratified by the shareholders on July 20, 2010, and re-approved by shareholders on June 25, 2013. On April 20, 2017, the Board passed a resolution to adopt the Equity Incentive Plan which was subject to, and effective upon, the approval of shareholders, which was received on May 23, 2017. The Stock Option Plan remains in effect only in respect of outstanding options, and no further options will be granted under the Stock Option Plan.

Key Terms of the Stock Option Plan

Below is a summary of the key terms of the Stock Option Plan, which is qualified in its entirety by reference to the full text of the Stock Option Plan, which is available on SEDAR at www.sedar.com.

The Stock Option Plan provides that the number of Common Shares of the Corporation that may be reserved for issuance and which may be purchased upon the exercise of all options, subject to adjustment, at any one time will not exceed 10% of the issued and outstanding Common Shares of the Corporation at the time of the grant. The Stock Option Plan is considered an “evergreen” plan since the Common Shares covered by options which have been exercised shall be available for subsequent grants under the Stock Option Plan and the number of options available to grant increases as the number of issued and outstanding Common Shares increases. Under TSX rules, a rolling stock option plan must be approved by shareholders every three years.

The purpose of the Stock Option Plan is to attract, retain and motivate management and staff by providing them with the opportunity, through option grants, to acquire a proprietary interest in the Corporation and benefit from its growth.

Eligibility for participation in the Stock Option Plan is restricted to directors, officers, employees, consultants and other service providers (or their holding companies) of the Corporation or any of its subsidiaries. The Board fixes the vesting terms as it deems appropriate. Options issued under the Stock Option Plan may be exercised during a period determined by the Board and are subject to earlier termination upon the optionee ceasing to be a director, officer or a part-time or full-time employee, service provider or, subject to the terms of the consulting agreement, a consultant of the Corporation or upon the death of the optionee.

The number of Common Shares issuable to insiders of the Corporation, at any time, pursuant to all of the Corporation’s share based compensation arrangements, shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis and the number of Common Shares issued to the insiders of the Corporation, within any one year period, pursuant to all of the Corporation’s share based compensation arrangements, shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis. The Stock Option Plan does not provide for a maximum number of shares which may be issued to an individual pursuant to the Stock Option Plan or any other share compensation arrangement. The options granted under the Stock Option Plan are non-assignable and non-transferable. The directors of the Corporation have discretion to set the term of the options granted under the Stock Option Plan. The exercise price of the options is the market price or higher of the Common Shares on the TSX at the time of the grant. “Market price” is the highest closing price of the Common Shares on the TSX or any other exchange on which the Common Shares are then listed on the last business day preceding the date on which the option is approved by the Board.

If the expiry date for an option is set to fall during a Black-Out Period, or within five business days of the end of a Black-Out Period, the expiry date for such option shall be deemed to be the sixth business day after the end of the Black-Out Period.

Except in the case of death, and any express resolution passed by the Board, an option, and all rights to purchase pursuant thereto, shall expire and terminate 30 days after the holder ceases to be a director, officer or a part-time or full-time employee or service provider of the Corporation or of any subsidiary or such later date as the Board may determine. In the case of consultants, such termination shall be governed by the terms of the consulting agreement entered into between the Corporation or the subsidiary and the consultant. Upon the death of an optionee, the legal representative of the estate of such optionee shall have up to twelve months following the death of the optionee within which to exercise any options which were exercisable at the time of death of the optionee. The Board may, with the consent of an optionee and subject to the approval of the TSX or any other exchange on which the Common Shares are then listed, cancel any outstanding options.

Notwithstanding any other provision of the Stock Option Plan in the event of: (a) the acquisition by any person who was not, immediately prior to the effective time of the acquisition, a registered or a beneficial shareholder in the Corporation, of Common Shares or rights or options to acquire Common Shares or securities which are convertible into Common Shares or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders, or (b) the sale by the Corporation of all or substantially all of the property or assets of the Corporation, then notwithstanding that at the effective time of such transaction the optionee may not be entitled to all the Common Shares granted by the option, the optionee shall be entitled to exercise the options to the full amount of the Common Shares remaining at that time within 90 days of the close of any such transaction. In addition, in the event that an offer to purchase the Common Shares shall be made to the holders of Common Shares generally, unless the Board determines that such offer will not result in any change in control of the Corporation, the Corporation shall give written notice thereof to each optionee holding options under the Stock Option Plan and such optionees shall be entitled to exercise all such options in respect of all Common Shares to which options relate to the extent previously unexercised, regardless of whether such optionee would otherwise be entitled to exercise such options to such extent at that time, within the 30-day period next following the giving of such notice.

Appropriate adjustments with respect to options granted or to be granted, in the number of Common Shares optioned and in the option price, shall be made by the Board to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends or cash dividends by the Corporation (other than dividends in the ordinary course), the distribution of securities, property or assets by way of dividend or otherwise (other than dividends in the ordinary course), or other relevant changes in the capital stock of the Corporation or the amalgamation or merger of the Corporation with or into any other entity. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the shareholders of the Corporation and to acceptance by the TSX, if applicable.

The Corporation does not provide any financial assistance to participants under the Stock Option Plan to facilitate the purchase of securities under the Stock Option Plan.

The Stock Option Plan provides that the Board may from time to time, by way of a resolution, amend or repeal the Stock Option Plan and take all measures necessary or useful to the administration of the Stock Option Plan, provided however that any amendment to the Stock Option Plan shall be subject to the approval of all relevant regulatory authorities. The Board may make amendments to the Stock Option Plan that it deems necessary or useful, without having to obtain shareholder approval. Such changes include, without limitation:

- (a) minor changes of a “house-keeping nature”;
- (b) amending options including with respect to the option period (provided that the period during which an option is exercisable does not exceed ten years from the date the option is granted and that the option is not held by an insider), vesting period, exercise method and frequency, subscription price

(provided that the option is not held by an insider) and method of determining the subscription price, assignability and effect of termination of a participant's employment or cessation of the participant's directorship;

- (c) changing the class of participants eligible to participate under the Stock Option Plan;
- (d) advancing the date on which any option may be exercised or extending the expiration date of any option, provided that the period during which an option is exercisable does not exceed ten years from the date the option is granted;
- (e) changing the terms and conditions of any financial assistance that may be provided by the Corporation to participants to facilitate the purchase of common shares under the Stock Option Plan; and
- (f) adding a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying Common Shares from the Stock Option Plan reserve.

The Stock Option Plan also provides that shareholder approval will be required in the case of (a) any amendment to the amendment provisions of the Stock Option Plan, (b) any increase in the maximum number of Common Shares issuable under the Stock Option Plan, (c) any reduction in the exercise price or extension of the option period benefiting an insider, and (d) amendment provisions granting additional powers to the Board to amend the Stock Option Plan or entitlements without security holder approval in addition to such other matters that may require shareholder approval under the rules and policies of the TSX.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Corporation, or any of their associates or affiliates, is or has been indebted to the Corporation since the commencement of the last completed fiscal year of the Corporation or to any other entity, which indebtedness is, or at any time since the commencement of the last completed fiscal year, has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, there are no material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed persons of the Corporation, directors, proposed directors or officers of the Corporation, any shareholder who beneficially owns more than ten percent (10%) of the Common Shares of the Corporation, or any associate or affiliate of these persons in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction, which has materially affected or would materially affect the Corporation other than as disclosed herein or in the financial statements of the Corporation for the fiscal year ended December 31, 2020. Reference should be made to the notes to the audited financial statements for a more detailed description of any material transaction.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”) and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) require that each reporting issuer annually disclose its corporate governance system with reference to the Guidelines or NI 58-101. The following is a summary of the Corporation's approach to corporate governance with reference to the NI 58-101 and the Guidelines.

Board of Directors

The following table sets out the current directors of the Corporation, whether or not they are independent, the attendance record of each director, and the names of any other reporting issuer (or their equivalent) for which such director acts as a director:

Name of Director	Independence	Board of Directors Attendance Record	Audit Committee Attendance Record	Nomination, Compensation and Governance Committee Attendance Record	Technical, Environmental, Health and Safety Committee Attendance Record	Name of Reporting Issuer
Edward J. Munden ⁽¹⁾	Independent	8/8	4/4	1/1	-	Grid Metals Corp.
Andrew W. Dunn	Independent	8/8	4/4	-	-	N/A
Barry Hildred	Not Independent ⁽²⁾	8/8	-	-	-	N/A
Ian Pritchard	Independent	8/8	-	1/1	4/4	N/A
Pamela Saxton	Independent	8/8	4/4	1/1	-	Bunker Hill Mining Corporation
Paul Johnson ⁽³⁾	Independent	2/2	-	-	1/1 ⁽⁴⁾	N/A

Notes:

- (1) Edward J. Munden was the Chair of the Board for the year ended December 31, 2020.
- (2) The Board has determined that Barry Hildred was not independent of the Corporation for the year ended December 31, 2020, as he was also the CEO of the Corporation during this time.
- (3) Mr. Johnson was elected to the Board on September 23, 2020.
- (4) Mr. Johnson joined the Technical, Environmental, Health and Safety Committee on September 23, 2020.

From time to time, the Board also strikes adhoc committees as needed to support the Corporation's finance and corporate development activities. The Guidelines recommend that a majority of directors of a listed corporation be "independent" as defined by National Instrument 51-110 ("NI 52-110"). An independent director is a director who does not have any direct or indirect material relationship with the issuer. "Material relationship" is defined as a relationship which could, in the view of the Corporation's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships. In addition, Section 1.5 of NI 52-110 sets out "additional independence requirements" that provide that executive officers of a shareholder who "controls" a company, among others, are considered to have a "material relationship" with the Corporation and consequently are not independent directors. The majority of the directors of the Board are independent.

Board Mandate

The Board assumes ultimate responsibility for the stewardship of the Corporation and carries out its mandate directly and through considering recommendations it receives from the committees of the Board and from management. The Board approves all material acquisitions, dispositions and financings and other significant matters outside the ordinary course of the Corporation's business. The Corporation has adopted a code of business conduct which has been

communicated to all consultants, employees and other service providers. The text of the Board Charter is annexed hereto as Schedule "A".

Management is responsible for the day-to-day operations of the Corporation, and pursues Board approved strategic initiatives within the context of authorized business, capital plans and corporate policies. The CEO is expected to report to the Board on a regular basis on short-term results and long-term development activities.

The Board is specifically responsible for adoption of a strategic planning process, identification of principal risks and implementing risk-management systems, and succession planning.

Each director is elected annually by the shareholders and serves for a term that will end at the Corporation's next annual meeting. The Board has regularly scheduled quarterly meetings with special meetings to review matters when needed. The Board encourages its independent members to hold separate discussions regarding the Corporation to the extent that such discussions are deemed to be beneficial or necessary.

The independent directors hold "in camera" sessions, without management present, at every Board and committee meeting, including those held by telephone, unless waived by the board. These sessions are lead by the Chair of Board or Chair of the committee and are of no fixed duration, at which participating directors are encouraged to raise and discuss any issues of concern. The Audit committee also meets independently with the Corporation's external auditor to discuss the financial affairs of the Corporation, without management present.

Position Descriptions

The Board has not developed written position descriptions for the Chair, the Chair of any Board committees or the Chief Executive Officer. The Board is of the view that given the size of the Corporation, the relatively frequent discussions between Board members and the CEO and senior management, and the experience of the individual members of the Board, the responsibilities of such individuals are known and understood without position descriptions being reduced to writing. The Board will evaluate this position from time to time, and if written position descriptions appear to be justified, they will be prepared.

Orientation and Continuing Education

At present, the Board does not provide an official orientation or training program to its new directors. Each of the members of the Board has had solid experience in the industry as well as has had experience in acting as a director of public or private companies, or both. To ensure that directors maintain the necessary knowledge and skill levels to fulfill their duties as a member of the Board, the Corporation provides relevant reading materials and Board meeting discussions on relevant subjects. The Corporation's legal counsel are also made available to the director to assist them in better understanding what their legal responsibilities are.

Ethical Business Conduct

The Corporation has adopted a Code of Business Conduct and Ethics for directors, officers, consultants and employees. The Corporation requires the highest standards of professional and ethical conduct from its directors, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, discussion, on an informal basis, is had amongst the Board, management and employees respecting such matters as the retention of confidential information, insider trading rules, the obligation to declare conflicts of interests, the exercise of fair dealings with suppliers and other third parties and the necessity to comply with applicable laws, regulations and rules. The management of the Corporation is responsible for ensuring that the provisions of the Code of Business Conduct and Ethics are complied with.

The Code of Business Conduct and Ethics can be viewed on the Corporation's website at www.aquilaresources.com.

Board Committees

Audit Committee and Disclosure Committee

The Audit Committee is comprised of three members including Andrew W. Dunn (Chair), Edward J. Munden and Pamela Saxton, all of whom are independent directors and financially literate.

The Audit Committee met four times in 2020. The mandate of the Audit Committee provides that its members shall meet at least quarterly prior to the release of the interim and annual financial results.

The Audit Committee also functions as the Disclosure Committee of the Board. The principal responsibilities of the Disclosure Committee consist of reviewing and implementing a communication policy for the Corporation and maintaining the integrity of the Corporation's internal control, management information and public disclosure systems.

The responsibilities and duties of the Audit Committee are set out in the Audit Committee Charter, the text of which is set forth in Schedule A to the Corporation's annual information form for the year ended December 31, 2020.

Nomination, Compensation and Governance Committee

The Nomination, Compensation and Governance Committee was comprised of three members Edward J. Munden (Chair), Pamela Saxton and Ian Pritchard, all of whom are independent directors.

Each member of this committee has more than 10 years of experience in their respective field and throughout that time, each has been involved with implementing and reviewing nomination, compensation and governance policies at their respective organizations. The principal responsibilities of the combined Nomination, Compensation and Governance Committee consist of compensation matters including reviewing the compensation of the Chief Executive Officer of the Corporation and other senior executives of the Corporation and providing recommendations to the Board for approval. The nomination matters include performing an annual evaluation of the Board's effectiveness as a whole and of the effectiveness of the individual directors and committees. The Board has approved a charter for the Nomination, Compensation and Governance Committee.

The Board assesses, on an informal basis, the effectiveness of the Board as a whole, the Chair of the Board, Board committees and the contribution of individual directors. 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 its committees. As a result of the Corporation's size, its stage of development and the number of directors of the Corporation, the Board has considered this assessment process to be appropriate at this time. The Nomination, Compensation and Governance Committee will review this process periodically and make recommendations with respect to the assessment process as necessary.

The Corporation's business strategy, goals and objective for the Chief Executive Officer are reviewed annually. The Board receives at least quarterly updates from management on strategic developments and reviews and adjusts the compensation as necessary. For further information regarding the process for determining compensation, see "Executive Compensation".

Technical, Environmental, Health and Safety Committee

The Technical, Environment, Health and Safety Committee is comprised of three members: Ian Pritchard (Chair) and Paul Johnston, who are both independent directors, and Stephanie Malec, the Corporation's CFO. Andrew Boushy, formerly the Corporation's Senior VP, Projects, and as of February 1, 2021, Technical Advisor to the Corporation is a non-voting member of the Committee.

The Technical, Environmental, Health and Safety Committee mandate provides for on-going confirmation to the Board that the safety, environmental, design, construction and operational readiness of the project is meeting the

necessary regulatory codes and standards and is complying with industry best practices, and does not pose a hazard to the receiving environment and the local communities over the long term. As well as to enhance Aquila's commitment to operational excellence and corporate responsibility.

Director Term Limits and Other Mechanisms of Board Renewal

Each director serves on the Board until the next annual meeting of shareholders of the Corporation or until a successor is duly elected or appointed. The Board does not have a limit on the number of consecutive terms for which a director may serve. While there is a benefit to adding new perspectives to the Board from time to time, there are also benefits to having continuity and directors having in depth knowledge of each facet of the Corporation's business, which necessarily takes time to develop. As such, and given that each member of the Board has had solid experience in the industry as well as has had experience in acting as a director of public or private companies, or both, the Board believes that the imposition of term limits for its directors may run the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. The Board relies on thorough director assessment procedures for evaluating its members, and uses rigorous identification and selection processes for new directors, having regard to a variety of factors. Through these processes, the Board believes that it is well-positioned to address any problems or deficiencies that may arise in an appropriate manner without having to adopt mandated term limits.

Diversity

The Corporation believes in diversity and the potential for diversity in the composition of the Board and senior management of the Corporation, to advance the best interests of the Corporation. Currently, the Corporation has one female director, comprising 17% of the director positions of the Corporation. Of the two current executive officers of the Corporation, one is a woman, comprising 50% of the executive officer positions of the Corporation. At present, there is no member of a visible minority on the Board, of the proposed six directors, and no members of a visible minority in a senior management position. There are no Aboriginal peoples and no persons with disabilities on the Board or in executive officer positions. The number and proportion of members of the Board and of senior management who self-identify as being a member of one or more of the aforementioned designated groups has been furnished by the respective individuals on a voluntary basis, and such responses have not been independently verified by the Company.

On January 15, 2019, the Board adopted a diversity policy (the "**Diversity Policy**") to outline how the Corporation approaches diversity, particularly when identifying individuals to serve as members of the Board or senior management of the Corporation. The Diversity Policy indicates that, subject to the availability of candidates who meet the Corporation's objective merit-based criteria, the Corporation intends, on a basis that effects an orderly transition, to seek (i) to attain a Board composition with adequate female representation and (ii) that a reasonable number of senior management positions are held by women. In addition, any third parties engaged by the Corporation to assist in identifying possible members of the Board or senior management of the Corporation are to be advised of the Corporation's recognition of the potential benefits of diversity and the need for the process pursued by the third party on behalf of the Corporation to minimize the potential adverse impact of bias and discrimination. The Corporation does not have a formal target regarding the representation of women on the Board or senior management as the Corporation does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates. Annually, the Board (or a committee of the Board) will review the Diversity Policy and assess its effectiveness in connection with the composition of the Board and senior management.

We believe this ongoing process will identify and foster the development of suitable candidates for nominations or appointment and over time will achieve gender diversity in an orderly and rational manner. We believe the foregoing also achieves the Board's objective of making the Board better.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website at www.aquilaresources.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and Management Discussion and Analysis for the financial year ending December 31, 2020, and

any documents incorporated by reference herein without charge by emailing info@aquilaresources.com. Financial information regarding the Corporation is provided in the Corporation's audited financial statements for the year ended December 31, 2020 and the related Management's Discussion and Analysis.

APPROVAL OF DIRECTORS

The contents and the sending of this Management Information Circular have been approved by the board of directors of the Corporation.

DATED at Toronto, Ontario as at the 13 day of April, 2021.

By Order of the Board of Directors

(signed) "Guy Le Bel"

Guy Le Bel

President & Chief Executive Officer

SCHEDULE “A”

BOARD CHARTER

AQUILA RESOURCES INC. BOARD OF DIRECTORS CHARTER

PURPOSE

The Board of Directors (the “**Board**”) is elected annually by the shareholders of Aquila Resources Inc. (the “Corporation”) to supervise the management of the business and affairs of the Corporation, in the best interests of the Corporation. The Board shall assume responsibility for the stewardship of the Corporation by undertaking the following:

- Review and approve the strategic plan and business objectives of the Corporation that are submitted by executive management and monitor the implementation by executive management of the strategic plan. During at least one meeting each year, the Board will review the Corporation’s long term strategic plans and the principal issues that the Corporation expects to face.
- Review the principal strategic, reporting, operating and compliance risks for the Corporation and oversee, with the assistance of the Audit Committee, the Nomination, Compensation and Corporate Governance Committee and the Technical, Environmental, Health & Safety Committee, the implementation and monitoring of appropriate risk management systems and the monitoring of risks.
- Ensure, with the assistance of the Nomination, Compensation and Corporate Governance Committee, the effective functioning of the Board and its committees in compliance with the corporate governance requirements of applicable laws, regulatory requirements and policies of the Canadian Securities Administrators.
- Ensure, with the assistance of the Audit Committee, that internal controls and management information systems for the Corporation are adequately designed, implemented and monitored and reviewed periodically.
- With the assistance of the Nomination, Compensation and Corporate Governance Committee, assess the performance of the Corporation’s executive management, including oversight of the appropriate training, performance reviews and succession planning.
- Be responsible for the hiring/firing of the Chief Executive Officer (CEO), the role of the CEO and the performance review of the CEO, including the development of policies and principles for CEO selection and performance review and policies regarding CEO succession.
- Monitor the compensation levels of executive management based on determinations and recommendations made by the Nomination, Compensation and Corporate Governance Committee.
- Review and, where appropriate, approve the recommendations made by the various committees of the Board, including, without limitation, to: select nominees for election to the Board; appoint directors to fill vacancies on the Board; appoint members of the various committees of the Board; and establish the form and amount of director compensation.

COMPOSITION

The election, appointment and removal of directors shall occur in accordance with the Corporation's by-laws and all applicable legislation. A majority of the Board shall meet the independence requirements of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

The Board should be comprised of that number of individuals which will permit the Board's effective functioning. The Board should collectively possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight and stewardship of the Corporation's business. All such factors will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. In maximizing the Board's effectiveness, the Corporation takes a long-term, sustainable and measured approach. All Board appointments shall be based on merit, with the primary consideration being to maintain and enhance the Board's overall effectiveness.

The Corporation recognizes the importance of women having representation at key decision making points in organizations and is supportive of the requirements of the Canadian Securities Administrators in this regard. Accordingly, as one factor in the foregoing analysis, the Board shall consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election.

The Board shall not be required to establish a limit on the number of times a Director may stand for election, but shall consider nominations for re-election in the context of seeking an optimum composition to maximize overall effectiveness.

COMMITTEES

The Board may delegate authority to individual directors and committees where the Board determines it is appropriate to do so. The Board expects to accomplish a substantial amount of its work through committees and shall maintain at least the following two committees: Audit Committee and the Nomination, Compensation and Corporate Governance Committee. The Board may, from time to time, establish or maintain additional standing or special committees as it determines to be necessary or appropriate. Each committee should have a written charter and should report regularly to the Board, summarizing the committee's actions and any significant issues considered by the committee.

RESPONSIBILITIES

The mandate of the Directors is the stewardship of the Corporation, and their responsibilities include, without limitation to their general mandate (as outlined above under "Purpose"), the following specific responsibilities:

1. Review, assess and update this Charter periodically, as conditions dictate.
2. Develop, together with the appropriate committee(s) of the Board, the Corporation's approach to: (i) the nomination of the Directors; (ii) the enhancement of governance; (iii) matters relating to compensation of the Directors; and (iv) matters relating to strategy, financial reporting and internal controls.
3. Maintain a high standard for integrity and work ethic within the Board and management of the Corporation.
4. With the assistance of the Nomination, Compensation and Corporate Governance Committee:
 - (a) review the composition of the Board and ensure it respects the objectives of this Charter;
 - (b) assess the effectiveness of the Board, the committees of the Board and the contribution of individual directors, including, consideration of the appropriate number of the directors;
 - (c) ensure that an appropriate review and selection process for new nominees as directors is in place;

- (d) identify the principal non-financial enterprise risks of the Corporation's business and ensure that appropriate systems are in place to manage these risks;
 - (e) ensure that an appropriate orientation and education program for new directors is in place; and
 - (f) adopt disclosure and securities compliance policies, including, without limiting the foregoing, communication policies of the Corporation.
5. With the assistance of the Audit Committee:
- (a) ensure the integrity of the Corporation's internal controls and management information systems;
 - (b) ensure the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents;
 - (c) identify the principal financial risks of the Corporation's business and ensure that appropriate systems are in place to manage these risks; and
 - (d) review and approve significant operational and financial matters and provide direction to management on these matters.
6. Approve and adopt a strategic plan defining the longer-term objectives and accomplishments aspired for the organization and monitor the performance of the Corporation against the strategic plan.
7. Monitor and review feedback provided by the Corporation's various stakeholders.
8. Review major decisions which require the approval of the Board and approve such decisions as they arise.
9. Perform such other functions as prescribed by law or assigned to the Board in the by-laws of the Corporation.

MEETINGS

The Board will meet not less than four times per year (three meetings to review quarterly results and one meeting to approve the annual audited financial statements) and more frequently as circumstances require. All members of the Board should strive to be at all meetings. Subject to the Corporation's by-laws, a quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors then holding office and, notwithstanding any vacancy among the number of directors, a quorum of directors may exercise all of the powers of the directors.

The independent Directors of the Board may meet separately, periodically, without executive management, and may request any member of executive management or the Corporation's outside counsel or independent auditor to attend meetings of the Board or with advisors thereto.

The chair of the Board (the "Chair") should be an independent director. However, if at any time the Chair is not an independent director, a lead director (the "Lead Director") will be appointed from among the independent directors. The Lead Director will act as an effective leader of the Board in respect of matters required to be considered by the independent directors, and will ensure that the Board's agenda will enable it to successfully carry out its duties.

Minutes shall be maintained for all meetings together with copies of materials presented at meetings and copies be made available to all Board members, with the exception of special meetings of the independent Directors for which the maintenance and distribution of minutes shall be at the discretion of the Chair.

The Chair, in consultation with management, will develop the agenda for each Board meeting. Agendas will be distributed to the Directors before each meeting, and all Directors shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the Board in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

INDEPENDENT ADVICE

In discharging its mandate, the Board shall have the authority to retain, at the expense of the Corporation, special legal, accounting or other advisors as the Board determines to be necessary to permit it to carry out its duties.

MEASURES FOR RECEIVING FEEDBACK

All publicly disseminated materials shall provide for a mechanism for feedback from the Corporation's stakeholders.

Approved, January 2019

