



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS OF MKANGO RESOURCES LTD.**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Mkango Resources Ltd. (the “**Corporation**”) to be held at the offices of Fasken Martineau DuMoulin LLP at 2400-333 Bay St, Toronto, Ontario, Canada at the hour of 9:00 a.m. (Toronto time) on October 4, 2022 for the following purposes:

1. to fix the number of directors of the Corporation to be elected at the Meeting at six;
2. to elect the directors of the Corporation who will serve until the end of the next annual general meeting or until their successors are appointed;
3. to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration;
4. to pass an ordinary resolution, the full text of which is set forth herein, to approve the Amended Stock Option Plan;
5. to pass an ordinary resolution, the full text of which is set forth herein, to approve the Amended EMI Plan;
6. to pass an ordinary resolution, the full text of which is set forth herein, to approve the Amended RSU Plan; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Specific details of the matters to be put before the Meeting are set forth in the Circular. Also enclosed is a form of proxy for the Meeting.

**DUE TO THE ONGOING CONCERNS RELATED TO THE SPREAD OF THE CORONAVIRUS (COVID-19) AND IN ORDER TO PROTECT THE HEALTH AND SAFETY OF SHAREHOLDERS, EMPLOYEES, OTHER STAKEHOLDERS AND THE COMMUNITY, THE BOARD OF DIRECTORS AND MANAGEMENT REQUEST ALL SHAREHOLDERS TO VOTE BY PROXY AND NOT ATTEND THE MEETING IN PERSON.**

The record date (the “**Record Date**”) for determining those shareholders entitled to receive notice of and to vote at the Meeting is August 15, 2022. Only persons registered as shareholders on the books of the Corporation as of the close of business on the Record Date (“**Registered Shareholders**”) are entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, and no person becoming a Registered Shareholder after the Record Date shall be entitled to receive notice of and to vote at the Meeting or any adjournment thereof. The failure of any Shareholder to receive notice of the Meeting does not deprive the Shareholder of the right to vote at the Meeting.

Registered Shareholders may vote in person at the Meeting or any adjournment thereof, or they may appoint another person, who need not be a Shareholder, as their proxy to attend and vote in their place. Registered Shareholders who are unable to attend the meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the proxy must be received by the Corporation’s transfer agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Attention: Proxy Department or you may vote by telephone 1-866-732-8683 (toll free within Canada and USA) or 1-416-263-9524 (outside North America), or by facsimile to 1-866-249-7775 or 1-416-263-9524 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). Your proxy or voting instructions must be received no later than 9:00 a.m. (Toronto time) on September 30, 2022 (or such other date that is two business days immediately preceding the date of the Meeting as it may be adjourned or postponed from time to time).

Beneficial Holders/Non-Registered Shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form received from their intermediary/broker to ensure that the shares of such shareholder will be voted at the Meeting. If you hold your shares in a brokerage account you are not a Registered Shareholder.

Dated this 19<sup>th</sup> day of August, 2022.

By Order of the Board of Directors

“Derek Linfield”

Derek Linfield  
Chairman and Director



**MKANGO RESOURCES LTD.**  
**550 Burrard Street**  
**Suite 2900**  
**Vancouver, BC, V6C 0A3**

## **MANAGEMENT PROXY CIRCULAR**

**as at August 15, 2022, (except as otherwise indicated)**

This Information Circular is furnished by the management of Mkango Resources Ltd. (the “**Corporation**”) to the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation in connection with the solicitation of proxies to be voted at the annual general and special meeting of the Shareholders (the “**Meeting**”) to be held at the offices of Fasken Martineau DuMoulin LLP at 2400-333 Bay St, Toronto, Ontario, Canada at the hour of 9:00 a.m. (Toronto time) on October 4, 2022 and at any adjournment thereof, for the purposes set forth in the notice of meeting enclosed with this Information Circular (the “**Notice of Meeting**”).

## **GENERAL PROXY INFORMATION**

### Solicitation of Proxies

Management of the Corporation is soliciting proxies from Shareholders for the Meeting. The costs incurred in the preparation and mailing of the enclosed form of proxy (the “**Proxy Form**”), Notice of Meeting and this Information Circular will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefore.

The persons named in the Proxy Form are directors and/or senior officers of the Corporation (the “**Management Designees**”). **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the Management Designees in the Proxy Form to represent the Shareholder at the Meeting and may exercise that right either by inserting the name of the other person in the blank space provided in the Proxy Form or by completing another form of proxy.**

The Corporation will not send its proxy-related meeting materials directly to non-objecting beneficial owners under National Instrument 54-101 - Communication With Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”). The Corporation intends to pay for proximate intermediaries to forward the proxy-related materials and voting instruction form to objecting beneficial owners under NI 54-101.

### Proxy Voting

A proxy will not be valid unless it is deposited with our transfer agent Computershare Investor Services Inc. (“**Computershare**”), (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed Proxy Form. Your proxy or voting instructions must be received in each case no later than 9:00 a.m. (Toronto Time) on September 30, 2022 or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment of the Meeting.

The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

### REVOCABILITY OF PROXIES

In addition to revocation in any manner permitted by law, you may revoke your Proxy by an instrument in writing signed by you as Registered Shareholder or by your attorney duly authorized in writing. If you are a representative of a Registered Shareholder that is a corporation or association, the instrument in writing must be executed by an officer or by an attorney duly authorized in writing. The revocation must be deposited with the Corporation's registered office, c/o Fasken Martineau DuMoulin LLP, Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such Proxy, with the Chairman of the Meeting on the day of the Meeting, or at any adjournment thereof, and upon either of such deposits the Proxy is revoked. In addition, shareholders can also change their vote by phone or via the internet pursuant to the instructions provided to the Registered Shareholder.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare or their intermediary to arrange to change their voting instructions.

### EXERCISE OF DISCRETION BY PROXIES

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

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

**In respect of a matter for which a choice is not specified in the Proxy Form, the persons named in the Proxy Form will vote the Common Shares represented by the Proxy Form for the approval of such matter.**

At the time of printing of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy Form to vote the Common Shares represented thereby in accordance with their best judgment on such matters.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who choose to submit a proxy may do so by completing, dating and signing the enclosed Proxy Form and returning it to the Corporation's transfer agent, (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, the Shareholders may vote by telephone 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (outside North America), or by internet using the 15 digit control number located at the bottom of the proxy at [www.investorvote.com](http://www.investorvote.com).

**The Proxy Form, voting instructions or internet appointment of a proxyholder must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof at which the Proxy Form is to be used. Failure to complete or deposit a Proxy Form properly may result in its invalidation. The time limit for the deposit of Proxy Forms may be waived by the board of directors of the Corporation (the "Board") at its discretion without notice.**

## ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

**The information set forth in this section is of significant importance to many Shareholders of the Corporation as some Shareholders do not hold their Common Shares in their own names (“Beneficial Shareholders”).** Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder’s broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy except as set forth below. Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of meetings of Shareholders. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker often is identical to the Proxy Form provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number to vote their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting of shareholders. A Beneficial Shareholder receiving a voting instruction or proxy from Broadridge or another agent cannot use that proxy to vote Common Shares directly at the Meeting as the completed instruction or proxy must be returned as directed by Broadridge or another agent well in advance of the Meeting in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder’s broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank spaces on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting.

**If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.**

## VOTING DIRECTIONS FOR DEPOSITARY INTERESTS IN CREST

The following instructions are for non-registered beneficial holders who hold their Common Shares through the depository (the “**Depository Interests**”), Computershare Investor Services PLC (the “**Depository**”), as at the Record Date (as defined below). Holders of Depository Interests can direct the Depository how to vote their shares or abstain from voting by completing, signing and returning the enclosed form of instruction (the “**Form of Instruction**”). To be valid, the Form of Instruction must be filled out, correctly signed (exactly as the Shareholder’s name appears on the Form of Instruction), and returned by mail using the enclosed envelope, or by courier or hand delivery to The Office of the Depository, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, UK BS99 6ZY by 09:00 a.m. (BST) on September 29, 2022 (or 72 hours prior to any reconvened Meeting in the event of an adjournment of the Meeting). The Depository will then vote or abstain from voting on the Shareholder’s behalf at the Meeting, as instructed in the Form of Instruction.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares. The preferred shares are issuable in one or more series. Only holders of the Common Shares are entitled to vote such Common Shares at the Meeting, on the basis of one vote for each Common Share. As of August 15, 2022, 215,206,548 Common Shares were issued and outstanding. The Board has fixed August 15, 2022 as the record date (the “**Record Date**”) for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, except to the extent that such holder transfers ownership of the Common Shares after the Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting not later than ten days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting.

To the knowledge of the directors or executive officers of the Corporation, no person beneficially owns, directly or indirectly, controls or directs, directly or indirectly, voting shares carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, as at the date hereof, except the following.

Name of Member	Type of Ownership	Number of Shares	Percentage of Issued and Outstanding Shares
Talaxis Limited <sup>(1)</sup>	Direct	69,452,381	32.27%

### VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

A simple majority of affirmative votes cast at the Meeting by the Shareholders is required to pass the resolutions electing the directors, appointing the auditors and approving the Corporation’s amended and restated stock option plan, as amended by the Board (the “**Amended Stock Option Plan**”), the Corporation’s enterprise management incentive share option plan, as amended by the Board (the “**Amended EMI Plan**”) and the Corporation’s restricted share unit plan, as amended by the Board (the “**Amended RSU Plan**”), as required by the policies of the TSX Venture Exchange (“**TSXV**”). If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### QUORUM

Under the Corporation’s Articles, a quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person or represented by proxy, holding or representing not less than 5% of the Common Shares entitled to be voted at the Meeting. Under the Corporation’s Articles and the *Business Corporations Act* (British Columbia) (“**BCBCA**”), if a quorum is present at the opening of the Meeting, the Shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

### PARTICULARS OF THE MATTERS TO BE ACTED ON AT THE MEETING

At the Meeting, the Shareholders will (i) receive the audited financial statements of the Corporation for the year ended December 31, 2021, including the auditors’ reports thereon (the “**Financial Statements**”); and (ii) will be asked to consider and, if deemed appropriate:

1. to fix the number of directors of the Corporation to be elected at the Meeting at six;
2. to elect the directors of the Corporation who will serve until the end of the next annual general meeting or until their successors are appointed;
3. to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration;

4. to pass an ordinary resolution, the full text of which is set forth herein, to approve the Amended Stock Option Plan;
5. to pass an ordinary resolution, the full text of which is set forth herein, to approve the Amended EMI Plan;
6. to pass an ordinary resolution, the full text of which is set forth herein, to approve the Amended RSU Plan; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

#### **FINANCIAL STATEMENTS**

The Financial Statements for the fiscal year ended December 31, 2021 are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### **ELECTION OF DIRECTORS**

It is the intention of the persons designated in the enclosed Proxy Form, unless otherwise instructed, to vote to elect Derek Linfield, William Dawes, Alexander Lemon, Stephen Motteram, Shaun Treacy and Susan Muir to hold office subject to the articles and Articles of the Corporation, as directors of the Corporation.

The foregoing persons are the nominees of management of the Corporation for election as directors of the Corporation. The directors of the Corporation are elected to hold office until the next annual general meeting of the Corporation or until their successors are appointed, unless a director ceases to hold office pursuant to the BCBCA or the office is vacated pursuant to the Articles of the Corporation.

In the absence of instructions to the contrary, the enclosed Proxy Form will be voted for the nominees herein listed. **Management does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees does not stand for election or are unable to serve as such, proxies in favour of Management Designees will be voted for another nominee in their discretion unless the Shareholder has specified in the Shareholder's proxy that the Shareholder's Common Shares are to be withheld from voting in the election of directors of the Corporation.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director and the name of each of the persons whose term of office, if elected, shall continue after the Meeting; all positions and offices in the Corporation presently held by them; their principal occupations at present and during the preceding five years; the periods during which they have served as directors; and the number of Common Shares, stock options and common share purchase warrants that they have advised the Corporation are beneficially owned by them, directly or indirectly, or over which control or direction is exercised, as of the date hereof:

Name, Municipality of Residence, Office and Date became a Director	Present and Principal Occupation During the Last Five Years	Common Shares Beneficially Owned Directly or Indirectly or Controlled or Directed	Stock Options EMI Options, RSUs or Common Share Purchase Warrants Beneficially Owned Directly or Indirectly or Controlled or Directed
<p><b><i>Derek Linfield</i></b><sup>(1)</sup> Chairman and Director London, United Kingdom January 31, 2014</p>	<p>Mr. Linfield is a director of Cornish Lithium Limited and a number of other private companies, as well as being a consultant to the law firm Fasken Martineau DuMoulin LLP (since 2016). He was previously the managing partner of Stikeman Elliott (London) LLP, which is the UK office of the Canadian law firm Stikeman Elliott LLP, where he worked from 2003 until 2015.</p>	<p>8,056,227 Common Shares</p>	<p>3,160,000 Stock Options</p>
<p><b><i>William Dawes</i></b> Chief Executive Officer and Director London, United Kingdom December 20, 2010</p>	<p>Mr. Dawes is the Chief Executive Officer of the Corporation. He has been an executive director of Leo Mining &amp; Exploration Limited (“<b>Leominex</b>”) and of Lancaster Exploration Limited (“<b>Lancaster</b>”) since September 2007, Lancaster Exploration Malawi since May 19, 2011, Maginito Limited since January 17, 2018, MKA Exploration Ltd since July 25, 2018, MKA Exploration Malawi Ltd since May 6, 2019, Hypromag Ltd since January 9, 2020 and Mkango Rare Earths UK Limited since June 23, 2021.</p>	<p>8,721,443 Common Shares<sup>(2)(3)</sup></p>	<p>3,420,000 Stock Options 840,000 EMI Options 2,000,000 RSUs</p>
<p><b><i>Alexander Lemon</i></b> President and Director London, United Kingdom December 20, 2010</p>	<p>Mr. Lemon is the President of the Corporation. He has been an executive director of Leominex and of Lancaster since September 2007, Lancaster Exploration Malawi since May 19, 2011, Maginito Limited since January 17, 2018, MKA Exploration Ltd since July 25, 2018, MKA Exploration Malawi Ltd since May 6, 2019 and Mkango Rare Earths UK Limited since June 23, 2021.</p>	<p>8,550,205 Common Shares<sup>(2)</sup></p>	<p>3,420,000 Stock Options 840,000 EMI Options 2,000,000 RSUs</p>

Name, Municipality of Residence, Office and Date became a Director	Present and Principal Occupation During the Last Five Years	Common Shares Beneficially Owned Directly or Indirectly or Controlled or Directed	Stock Options EMI Options, RSUs or Common Share Purchase Warrants Beneficially Owned Directly or Indirectly or Controlled or Directed
<p><b>Stephen Motteram</b><sup>(1)(4)</sup> Director Singapore October 29, 2021</p>	<p>Mr. Motteram has 25 years' of experience in financial institutions and trading houses, specialising in project development, commodities trading, M&amp;A, treasury and corporate restructuring. He has worked in Australia, Africa, Brazil, China, India, Indonesia, Jamaica, Russia and the UAE. Stephen has worked for Noble since 2011 and is currently Head of Corporate Development. Mr. Motteram has held non-executive director positions with Xanadu Mines Ltd, Cockatoo Coal Ltd, Wiggins Island Coal Export Terminal Pty Ltd and Territory Resources Ltd. Since 2018 he has been a member of the Executive Committee and the Operating Committee of the Jamalco alumina refinery. Mr Motteram is a nominee of Talaxis.</p>	69,452,381 <sup>(5)</sup>	Nil
<p><b>Susan Muir</b><sup>(1)(4)</sup> Director Toronto, Canada August 28, 2018</p>	<p>Ms. Muir was Vice President, Investor Relations &amp; Corporate Communications with Arizona Mining Inc. from August 2016 to August 2018; prior thereto, Ms. Muir was Vice President, Investor Relations &amp; Corporate Communications with Titan Mining Corporation from June 2017 to January 2018; prior thereto, Ms. Muir was Vice President, Investor Relations &amp; Corporate Communications with NewCastle Gold Ltd. from August 2016 to December 2017; prior thereto, Ms. Muir was Senior Director and subsequently Vice President, Investor Communications with Barrick Gold Corporation from February 2007 to June 2016.</p>	12,000	1,195,000 Stock Options



Name, Municipality of Residence, Office and Date became a Director	Present and Principal Occupation During the Last Five Years	Common Shares Beneficially Owned Directly or Indirectly or Controlled or Directed	Stock Options EMI Options, RSUs or Common Share Purchase Warrants Beneficially Owned Directly or Indirectly or Controlled or Directed
<p><b>Shaun Treacy</b><sup>(1)(2)(4)</sup> Director Sydney, Australia October 2, 2018</p>	<p>Mr. Treacy has over 30 years' experience in investment banking and corporate finance, having senior leadership positions with JPMorgan, Lehman Brothers, Nomura and UBS. He has worked in the United States, United Kingdom, Hong Kong and Australia. He is a non executive director of Warpforge Ltd., an Australian unlisted public company, and is a non executive director of Multiple Sclerosis (Qld) Pty Ltd, Multiple Sclerosis (Aust) Pty Ltd, Adani Mining Pty Ltd and the Charlie Teo Foundation. From 2014 until 2019, he was an executive director of the private equity firm, Arete Capital Partners ("Arete") based in Melbourne, Australia. Mr. Treacy is also a director of Leominex and a director of, and consultant to, Zenith Advisory Services Pty Ltd.</p>	1,914,285	1,195,000 Stock Options

**Notes:**

- (1) Member of the Remuneration Committee.
- (2) 8,546,205 of these Common Shares are held through Leominex, a company in which William Dawes and Alexander Lemon each own 17.3% of the issued and outstanding shares. Mr. Treacy owns 0.4% of the shares of Leominex.
- (3) 175,238 of these Common Shares are held through The JP Morgan 1998 Employee Trust, of which William Dawes is a beneficiary.
- (4) Member of the Audit Committee.
- (5) These shares are held by Talaxis Limited.

**Corporate Cease Trade Orders or Bankruptcies**

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

- (a) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the Corporation access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (b) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the Corporation access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No director of the Corporation is, or has been within the past ten years, a director or executive officer of any company that, while such person was acting in that capacity or within a year of that individual 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.

#### Penalties and Sanctions

No director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable security holder in deciding to vote for a director.

#### Individual Bankruptcies

No director of the Corporation is or has, within the ten years prior to the date hereof, 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 that individual.

### APPOINTMENT OF AUDITORS

At the Meeting, Shareholders will be asked to vote in favour of the re-appointment of BDO LLP, 55 Baker Street, London, W1U 7EU, United Kingdom, as auditors of the Corporation, to hold office until the next annual general meeting of Shareholders, or until its successors are elected or appointed, and to authorize the directors to fix their remuneration as such. BDO LLP has been the auditor of the Corporation since nomination at the last annual meeting of the Company held on October 6, 2021.

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **Unless otherwise directed, the Management Designees named in the accompanying Proxy Form intend to vote in favour of the appointment of BDO LLP, Chartered Accountants, as auditor of the Corporation, to hold office until the next annual general meeting of the Shareholders, at a remuneration to be determined by the directors of the Corporation.**

### APPROVAL OF STOCK OPTION PLAN, AS AMENDED

#### *General*

The Corporation's Amended and Restated Option Plan (the "**Stock Option Plan**") was approved by the Shareholders at the Corporation's last annual meeting held on October 6, 2021.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve the Stock Option Plan of the Corporation, which includes minor housekeeping amendments to comply with the recent updates to TSXV Policy 4.4 – "*Security Based Compensation*" ("**TSXV Policy 4.4**"). Approval is being sought in accordance with the policies of the TSXV, whereby issuers whose security based compensation plans are plans which reserve shares for issuance upon the exercise of options based upon a percentage of the issuer's issued and outstanding shares rather than a fixed number ("**Rolling Plans**"), must have such plans approved by the Shareholders at each annual meeting of Shareholders. The Shareholders will therefore be asked at the Meeting to vote on a resolution to approve the Stock Option Plan, as amended by the Board (following such amendments, the "**Amended Stock Option Plan**").

On August 19, 2022, the Board approved the following amendments to the Stock Option Plan, subject to receipt of shareholder approval, to comply with TSXV Policy 4.4. The amendments were considered to be housekeeping amendments, as a result of which Shareholder approval was not required at the time of implementation. The amendments were as follows:

1. Section 4.1 was updated to include reference to the 10% limit referred to therein being calculated "*as at the date of grant*" (instead of "*from time to time*"), in accordance with section 3.1(a) of TSXV Policy 4.4 and to clarify that this calculation is on a non-diluted basis. The following sentence was added: "*The Corporation currently has a*

*separate restricted share unit plan that is a “fixed Stock Option Plan up to 10%” (as such term is defined in the TSX Venture Exchange Corporate Finance Manual) and permits the issuance of restricted share units (“RSUs”) issuable for up to 15,000,000 Shares, provided that in no case can Options or RSUs be issued or granted under all Share Compensation Arrangements that would require the issuance of more than ten percent (10%) of the issued and outstanding Common Shares of the Corporation at the date of grant”.*

2. Section 4.2 was updated to include the words in quotes and in italics below, in accordance with sections 4.11 and 4.12 of TSXV Policy 4.4:

4.2 If and for so long as the Common Shares are listed on the Exchange, the number of Common Shares which may be issuable under the Plan, in combination with Common Shares issuable under any other Share Compensation Agreement;

- *“within any 12 month period” to any one person, shall not exceed five percent (5%) “(calculated on a non-diluted basis) “of the then issued common shares of the Corporation “(unless the Corporation has obtained the requisite disinterested Shareholder approval)”;*
- *“within any 12 month period to Insiders (as a group), shall not exceed ten percent (10%) of the issued common shares of the Corporation at any point in time (unless the Corporation has obtained the requisite disinterested Shareholder approval), calculated as at the date of grant on a non-diluted basis”;*
- *“within any 12 month period” to any one consultant, shall not exceed two percent (2%) of the then issued common shares of the Corporation, “calculated as at date of grant on a non-diluted basis”;* and
- *“within any 12 month period” to any Participants conducting investor relations activities, shall not exceed two percent (2%) of the then issued common shares of the Corporation, “calculated as at the date of grant on a non-diluted basis”;* and
- *“to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).”*

In addition, the final paragraph of Section 4.2 was deleted as it made reference to the Corporation when it was still a CPC (as defined in the TSXV Corporate Finance Manual).

3. Section 5 was updated to include the language in quotes and italics below, in accordance with Section 4.11(h) of TSXV Policy 4.4:

- The Corporation *“as well as the Participant”* represent and confirm that any Participant under the Plan will be a bona fide director, officer, employee or consultant of the Corporation or of one of its subsidiaries.

4. Section 6 was updated to include the language in quotes and italics below, in accordance with section 4.12(c) of TSXV Policy 4.4:

- The Corporation will be required to obtain disinterested shareholder approval for the reduction in the exercise price of *“or extensions to”* Optioned Shares where the Optionee is an insider *“at the time of the proposed amendment.”*
- Section 6 was also amended to clarify that the calculations will be on a non-diluted basis.

5. Section 7(i) was updated to include the language in quotes and italics below, in accordance with section 4.7(d) of TSXV Policy 4.4:

- In the event of a share dividend, share split, issuance of shares or instruments convertible into common shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of shares, recapitalization, amalgamation, merger, consolidation, corporate arrangement, reorganization, liquidation or the like of or by the Corporation, the board of directors may make such adjustment, if any, of the number of Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution

or enlargement of rights granted to Participants under the Plan. *“Any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under the Plan must be subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.”*

6. Sections 8(a) and (c) were updated to include the language in quotes and italics below, in accordance with section 4.10 of TSXV Policy 4.4:
- if the Participant is an Insider of the Corporation at the time of the amendment, the Corporation obtains disinterested Shareholder approval (as described in section 6 above) *“and the Exchange Hold Period is applied from the date of the grant of the Option”*;
  - if the option price is amended *“to represent a discount”* to the Market Price, the Exchange Hold Period is applied from the date of the *“grant of”* the option.

#### ***Description of Amended Stock Option Plan***

The Amended Stock Option Plan (as well as the other Share Compensation Arrangements, as defined below) was established to recognize contributions made by directors, officers, employees and consultants of the Corporation, to provide incentives to qualified parties to increase their proprietary interest in the Corporation and to thereby encourage their continuing association with the Corporation. The Board administers the Amended Stock Option Plan and it is their responsibility to ensure that the provisions of the Amended Stock Option Plan are adhere to.

A copy of the Amended Stock Option Plan is set out at Appendix “A” to this Information Circular.

#### ***Eligible Participants***

Participation in the Amended Stock Option Plan is limited to any person who is a director, officer, employee or consultant of the Corporation or of its subsidiaries, as the Board may designate as a participant under the Amended Stock Option Plan (each, a **“Stock Option Plan Participant”**).

#### ***Transferability***

Options granted under the Amended Stock Option Plan are not transferable or assignable other than by will or the laws of succession. In the case of the death of a Stock Option Plan Participant, any vested option held by him or her at the date of death will become exercisable by the optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Stock Option Plan Participant and the date of expiration of the term otherwise applicable to such option.

#### ***Grant of Options***

All Options under the Amended Stock Option Plan are granted by means of an agreement between the Corporation and a Stock Option Plan Participant in a form approved by the Board and will expire not later than the tenth anniversary of the date such Options were granted or such other length of time as may be permitted by the TSXV or such other exchange on which the Common Shares are listed.

#### ***Rights as Shareholders/Payment of Dividend Equivalents***

Stock Option Plan Participants have no rights as Shareholders in respect of any of the Common Shares underlying their Options (including any rights to receive dividends or other distributions, or voting rights), until such time as they have exercised their Options for Common Shares.

#### ***Exercise Price of Options***

The Board determines the purchase price for Common Shares under the Options but in no event shall the price be less than the market price (as defined in the policies of the TSXV or such other exchange that the Common Shares may be listed on) less any permitted discounts.

#### ***Option Limits***

If and for so long as the Common Shares are listed on the TSXV, the number of Common Shares which may be issuable under the Amended Stock Option Plan, together with any other stock option plan, employee stock purchase plan, restricted share unit plan or other compensation or incentive mechanism involving the issuance or potential issue of Common Shares of the Corporation (each, a **“Share Compensation Arrangement”**) shall be limited to 10 percent

(10%) of the issued and outstanding common shares of the Corporation, calculated as at the date of grant (on a non-diluted basis) (the “**Optioned Shares**”). In addition, the number of Common Shares which may be issuable under the Amended Stock Option Plan, together with each other Share Compensation Arrangement, within any 12 month period: (i) to any Stock Option Plan Participant, will not exceed 5% of the total issued and outstanding Common Shares on the grant date on a non-diluted basis, (ii) to any one consultant will not exceed 2% of the then issued Common Shares; and (iii) to any Stock Option Plan Participant conducting investor relations activities, will not exceed 2% of issued and outstanding Common Shares on the grant date on a non-diluted basis. Any Option grant to a Stock Option Plan Participant performing investor relations activities must vest in stages over no less than 12 months with no more than 1/4 of the Options vesting in any three month period.

#### *Termination of Employment*

If a Stock Option Plan Participant is dismissed as a director, officer, employee or consultant by the Corporation or by one of its subsidiaries without Cause (as such term is defined in the Amended Stock Option Plan), all unvested options of that Participant under the Amended Stock Option Plan will automatically vest and such Participant shall have the right, for a period not exceeding 90 days from the date of such dismissal, to exercise the option under the Amended Stock Option Plan with respect to all Common Shares underlying any Options of such Participant.

If a Stock Option Plan Participant ceases to be a director, officer, employee or consultant of the Corporation or of one of its subsidiaries as a result of:

- (i) disability or illness preventing such Participant from performing the duties routinely performed by such Participant;
- (ii) retirement at the normal retirement age prescribed by the Corporation pension plan;
- (iii) resignation; or
- (iv) such other circumstances as may be approved by the board of directors

such Participant will have the right for a period not exceeding 90 days from the date of ceasing to be a director, officer, employee, consultant (or, if earlier, until the expiry date of the option rights of the Participant pursuant to the terms of the Option Agreement) to exercise the option under the Amended Stock Option Plan with respect to all optioned Common Shares of such Participant to the extent they were exercisable on the date of ceasing to be a director, officer, employee or consultant.

#### *Change of Control*

If, at any time when an Option remains unexercised with respect to any Common Shares underlying any Options, an offer to purchase all of the common shares of the Corporation is made by a third party, the Corporation will use its best efforts to bring such offer to the attention of the Stock Option Plan Participants as soon as practicable and the Corporation may, at its option, require the acceleration of the time for the exercise of the option rights granted under the Amended Stock Option Plan and of the time for the fulfillment of any conditions or restrictions on such exercise.

The Amended Stock Option Plan, approved by the Board on August 30, 2021, is a Rolling Plan. The primary amendments made in the Amended Stock Option Plan, as compared to the option plan of the Corporation approved by the Shareholders at the meeting of Shareholders held on October 8, 2020, were (i) to ensure that the limits as to the percentages of options and shares issuable thereunder took into account securities issued each other Share Compensation Arrangement); and (ii) to have unvested Options granted under the Amended Stock Option Plan automatically vest upon termination by the Corporation of a director, officer, employee, or consultant for reasons other than Cause (as defined in the Amended Stock Option Plan).

See also “*Executive Compensation*” –“*Amended Stock Option Plan*” below for additional information about the Amended Stock Option Plan.

The aggregate number of Common Shares issuable upon the exercise of all options granted under the Amended Stock Option Plan, together with securities issued under any other Share Compensation Arrangement, cannot exceed 10% of the issued and outstanding Common Shares.

#### ***Shareholder Approval Being Sought***

Pursuant to the rules of the TSXV, the Amended Stock Option Plan must be passed by a majority of the votes cast on an ordinary resolution by Shareholders at the Meeting. The Shareholders will be asked to consider and, if deemed

advisable, to pass the following ordinary resolution approving the Amended Stock Option Plan, as amended by the Board:

**“BE IT RESOLVED THAT:**

1. the Stock Option Plan, as amended by the Board on August 19, 2022 (subject to shareholder approval), in the form attached at Appendix “A” to this management information circular (the “**Amended Stock Option Plan**”), is hereby approved as the stock option plan of the Corporation and is hereby directed to be attached to the Minutes of this Meeting as a Schedule thereto;
2. the Corporation be authorized to grant options pursuant to and subject to the terms and conditions of the Amended Stock Option Plan;
3. the form of the Amended Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation;
4. the number of common shares of the Corporation issuable under the Amended Stock Option Plan, together with securities issuable under any other stock option plan, employee stock purchase plan, restricted share unit plan or other compensation or incentive mechanism involving the issuance or potential issue of Common Shares of the Corporation, be set at a maximum of 10% of the aggregate number of Common Shares issued and outstanding from time to time subject to any limitations imposed by applicable laws, rules, regulation and policies;
5. the continuation of the 14,170,000 options outstanding on the date hereof under the Amended Stock Option Plan of the Corporation (and such other options as may be issued prior to the date of the Meeting in accordance with the terms of the stock option plan), without amendment to their terms except as required to comply with the Amended Stock Option Plan be authorized and approved; and
6. any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing.”

The foregoing resolution must be approved by a simple majority of the votes cast by Shareholders at the Meeting by the Shareholders voting in person or by proxy. **The Management Designees, unless instructed otherwise, intend to vote to approve the Amended Stock Option Plan, in substantially the form as attached as Appendix “A” to this Information Circular.**

**APPROVAL OF ENTERPRISE MANAGEMENT INCENTIVE PLAN, AS AMENDED**

***General***

The Corporation’s EMI plan (the “**EMI Plan**”) was approved by Shareholders at the Corporation’s last annual meeting held on October 6, 2021.

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, a resolution to approve the EMI Plan, which includes minor housekeeping amendments.

On August 19, 2022, the Board approved the following amendments to the EMI Plan, subject to receipt of shareholder approval, to comply with TSXV Policy 4.4. The amendments were considered to be housekeeping amendments, as a result of which Shareholder approval was not required at the time of implementation. The amendments were as follows:

1. Section 1.10 was added to include the following language, in accordance with section 4.11 of TSXV Policy 4.4: *“The Corporation and the Eligible Employee are responsible for ensuring and confirming that the Eligible Employee is a bona fide Employee”*.
2. Section 3.2 was updated to add the language in quotes and italics below (instead of “*from time to time*”) in accordance with section 3.1(a) of TSXV Policy 4.4 and to clarify that the 10% limit is to be calculated on a non-diluted basis. The amended wording is below:

If and for so long as the Shares are listed on the Exchange, the number of Shares which may be issuable under the Plan, in combination with the aggregate number of Shares issuable under any other stock option plan, employee stock purchase plan, restricted share unit plan or other compensation or incentive mechanism involving the issuance or potential issue of Common Shares of the Corporation (each, a **Share Compensation Arrangement**) shall be limited to 10 percent (10%) “(calculated on a non-diluted basis)” of the issued and outstanding Shares of the Corporation “at the Grant Date” (the **Optioned Shares**). “The Corporation currently has a separate restricted share unit plan that is a “fixed Stock Option Plan up to 10%” (as such term is defined in TSXV Policies”) and permits the issuance of restricted share units (“RSUs”) issuable for up to 15,000,000 Shares, provided that in no case can Options or RSUs be issued or granted under all Share Compensation Arrangements that would require the issuance of more than ten percent (10%) of the issued and outstanding Shares of the Corporation at the Grant Date.

3. Section 3.3 was updated to include the language in quotes and italics below, in accordance with sections 4.11 and 4.12 of TSXV Policy 4.4:

If and for so long as the Shares are listed on the Exchange, the number of Shares which may be issuable under the Plan, in combination with Shares issuable under any other Share Compensation Agreement:

(a) “within any 12 month period,” to any one Eligible Employee shall not exceed five percent (5%) “(calculated on a non-diluted basis)” of the then issued Shares of the Corporation “(unless the Corporation has obtained the requisite Disinterested Shareholder Approval)”;

(b) “within any 12 month period” to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares “at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval), calculated” on the Grant Date on a non-diluted basis; and

(c) “within any 12 month period” to any Eligible Employees conducting investor relations activities, shall not exceed two percent (2%) of the then issued Shares of the Corporation, “calculated on the Grant Date on a non-diluted basis”; and

“(d) to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval.”

4. Section 5.1 was updated to include the language in quotes and italics below, in accordance with section 4.12(c) of TSXV Policy 4.4:

- The Corporation will be required to obtain Disinterested Shareholder Approval for the reduction in the exercise price of, “or extensions to,” Optioned Shares where the Eligible Employee is an insider “at the time of the proposed reduction or extension.”

5. Section 5.2 was updated to clarify that the calculations of applicable percentages are to be on a non-diluted basis. In addition, Section 5.2(b) was updated to include the language in quotes and italics below, in accordance with section 4.11 of TSV Policy 4.4: (b) the grant to Insiders “(as a group)”, within a 12 month period, of a number of Options exceeding 10% of the issued Shares (calculated on a non-diluted basis).

6. Section 14 was updated to include the language in quotes and italics below, in accordance with section 4.7(d) of TSXV Policy 4.4:

- In the event of a share dividend, share split, issuance of shares or instruments convertible into common shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of shares, recapitalization, amalgamation, merger, consolidation, corporate arrangement, reorganization, liquidation or the like of or by the Corporation, the Board may make such adjustment, if any, of the number of Shares subject to Options, or of the Exercise Price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Option Holders under the Plan. “Any adjustment, other than in connection

*with a security consolidation or security split, to Options granted or issued under the Plan, must be subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.”*

7. Sections 15.4(a) and 15.4(c) were updated to include the language in quotes and italics below, in accordance with section 4.10 of TSXV Policy 4.4:

- (a) if an Option affected by the amendments is held by an Eligible Employee who is an Insider of the Corporation at the time of the amendment, the Corporation obtains Disinterested Shareholder Approval “*and the Exchange Hold Period is applied from the date of the grant of the Option*”;
- (c) if the Exercise Price is amended “*to represent a discount to the Market Price,*” the Exchange Hold Period is applied from the date of “*the grant of the Option;*” and

Pursuant to policies of the TSXV, the approval of the Amended EMI Plan requires approval by a simple majority of Shareholders. The Amended EMI Plan provides the Corporation with a vehicle by which equity-based incentives may be awarded to the UK-based employees of the Corporation or its subsidiaries in a tax-efficient manner to recognize and reward their significant contributions to the long-term success of the Corporation and its subsidiaries, including to align such employees’ interests more closely with Shareholders.

#### ***Description of Amended EMI Plan***

A copy of the EMI Plan, as amended by the Board (“**Amended EMI Plan**”), is set out as Appendix “B” to this Information Circular.

#### ***Eligible Participants***

Participation in the Amended EMI Plan is restricted to employees of the Corporation and its subsidiaries who: (i) are required to spend on average at least the statutorily required minimum time on the business of the Corporation or its group companies, (ii) do not, together with Associates (as defined in the EMI Plan), have a Material Interest (defined to be 30% or more of the issued and outstanding Common Shares), and (iii) do not have Associates who have a Material Interest (each, an “**EMI Eligible Person**”).

#### ***Transferability***

Options granted under the Amended EMI Plan (each, an “**EMI Option**”) are not transferable or assignable other than by operation of law on death.

#### ***Grant of EMI Options***

The Amended EMI Plan permits the Corporation to an EMI Option to an EMI Eligible Person and to determine the vesting schedule applicable to such EMI Options.

Following vesting, an EMI Option Holder will be entitled to exercise its EMI Options to purchase Common Shares at the exercise price included in the option agreement entered into by the EMI Eligible Person and the Corporation on the date on which the EMI Option is granted.

#### ***Exercise Price of EMI Options***

The Board determines the purchase price for Common Shares under the EMI Options but in no event shall the price be less than the market price (as defined in the policies of the TSXV or such other exchange that the Common Shares may be listed on) less any permitted discounts.

#### ***EMI Option Limits***

No EMI Options may be granted which would cause the total Market Value (as such term is defined in the Amended EMI Plan) of the Common Shares that can be acquired on exercise of all EMI Options at the relevant grant dates to exceed £3 million.

If and for so long as the Common Shares are listed on the TSXV, the number of Common Shares which may be issuable under the Amended EMI Plan, together with any other Share Compensation Arrangement, shall be limited to



10 percent (10%) of the issued and outstanding common shares of the Corporation, calculated as at the date of grant (on a non-diluted basis). In addition, if and for so long as the Common Shares are listed on the TSXV, the number of Common Shares which may be issuable under the Amended EMI Plan, together with any other Share Compensation Arrangement, within any one-year period: (i) to any EMI Eligible Person, will not exceed 5% of the total issued and outstanding Common Shares on the grant date on a non-diluted basis, (ii) to any Insiders as a group, will not exceed 10% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis; and (iii) to any EMI Eligible Person conducting investor relations activities, will not exceed 2% of issued and outstanding Common Shares on the grant date on a non-diluted basis. Any EMI Options issued to EMI Eligible Persons performing investor relations activities must vest in stages over no less than 12 months with no more than 1/4 of the EMI Options vesting in any three month period.

In addition, no EMI Option will be granted to an EMI Eligible Person which would cause the total Market Value at the relevant grant dates of the Common Shares that an EMI Eligible Person may acquire on exercise of the EMI Options to exceed £249,999.

#### *Termination of Employment*

An EMI Option Holder who gives or receives notice of termination of employment (whether or not lawful) and an EMI Option Holder who ceases to be an Employee (whether or not following notice) may not exercise an EMI Option at any time while the notice remains effective or after ceasing to be an Employee, except that where the EMI Option Holder ceases to be an employee as a result of death, disability, retirement, resignation, dismissal without Cause (as defined in the EMI Plan) or such other circumstances as may be approved by the Board, the EMI Option will be exercisable for a specified period of time thereafter. In all of these cases, EMI Options will be exercisable only to the extent that they have vested on the termination date except that where an EMI Option Holder is dismissed without Cause (as defined in the EMI Plan), its unvested EMI Options will become exercisable in full.

#### *Change of Control*

If an offer to purchase all of the Common Shares is made by a third party, the Corporation will be required to use its best efforts to bring such offer to the attention of EMI Option Holders as soon as practicable and the Corporation may, at its option, require the acceleration of the time for the exercise of EMI Options and for the fulfilment of any conditions or restrictions on such exercise.

#### ***Shareholder Approval Being Sought***

Pursuant to the rules of the TSXV, the Amended EMI Plan must be passed by a majority of the votes cast on an ordinary resolution by Shareholders at the Meeting. The Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the EMI Plan, as amended by the Board:

**“BE IT RESOLVED** that:

1. the EMI Plan, as amended by the Board on August 19, 2022 (subject to shareholder approval), in the form attached as Appendix “B” to this management information circular (the “**Amended EMI Plan**”), is hereby approved as the enterprise management incentive stock option plan of the Corporation and is hereby directed to be attached to the Minutes of this Meeting as a Schedule thereto;
2. the Corporation be authorized to grant EMI options pursuant to and subject to the terms and conditions of the Amended EMI Plan;
3. the form of the Amended EMI Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation;
4. the number of common shares of the Corporation issuable under the Amended EMI Plan, together with securities issuable under any other stock option plan, employee stock purchase plan, restricted share unit plan or other compensation or incentive mechanism involving the issuance or potential issue of Common Shares of the Corporation, be set at a maximum of 10% of the aggregate number of Common Shares issued and outstanding from time to time subject to any limitations imposed by applicable laws, rules, regulation and policies;

5. the continuation of the 1,680,000 options outstanding on the date hereof under the Amended EMI Plan of the Corporation (and such other options as may be issued prior to the date of the Meeting in accordance with the terms of the Amended EMI Plan), without amendment to their terms except as required to comply with the Amended EMI Plan be authorized and approved; and

6. any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing.”

The foregoing resolution must be approved by a simple majority of the votes cast by Shareholders at the Meeting by the Shareholders voting in person or by proxy. **The Management Designees, unless instructed otherwise, intend to vote to approve the EMI Plan, as amended by the Board, in substantially the form attached as Appendix “B” to this Information Circular.**

### APPROVAL OF RESTRICTED SHARE UNIT PLAN, AS AMENDED

#### *General*

The Corporation’s Restricted Share Unit Plan (the “**RSU Plan**”) was approved by Shareholders at the Corporation’s last annual meeting held on October 6, 2021.

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, a resolution to approve the RSU Plan, which includes minor housekeeping amendments.

On August 19, 2022, the Board approved the following amendments to the RSU Plan, subject to receipt of shareholder approval, including to comply with TSXV Policy 4.4. The amendments were considered to be housekeeping amendments, as a result of which Shareholder approval was not required at the time of implementation. The amendments were as follows:

1. Section 2.1 was updated to include the words in quotes and italics below, in accordance with section 4.11(h) of TSXV Policy 4.4:

- This Plan applies to those Employees whom the Committee designates as eligible for a grant of Restricted Share Units pursuant to Section 3.1 The Committee shall make such a designation prior to each Grant Date. *“The Corporation and the Employee are responsible for ensuring and confirming that the Employee is a bona fide Employee.”*

2. Section 2.2 was updated to include the following words in quotes and italics, in accordance with section 4.7(c) of TSXV Policy 4.4: *“provided that, subject to Section 3.5, an Eligible Person who has been granted Restricted Share Units shall not be entitled to any rights as a shareholder of the Corporation until such time as the Common Shares underlying the Restricted Share Units have been issued to the Eligible Person.”*

3. Section 2.6(a) was amended to clarify the limits set out in the RSU Plan, to read as follows:

- The number of Common Shares which may be reserved for issuance under the Plan for the redemption of RSUs granted under the Plan, provided that, all RSUs granted shall be deemed to be redeemed into Common Shares for the purposes of this Section 2.6(a), shall not exceed 15,000,000 Common Shares (the “**RSU Limit**”), which represents no more than 10% of the number of issued and outstanding Common Shares on the date of initial adoption of the Plan. However, notwithstanding the RSU Limit, no RSUs may be issued under the RSU Plan if such issuance, when aggregated with the number of Common Shares which may be issuable under all other Share Compensation Arrangements, would exceed 10% of the number of issued and outstanding Common Shares at the time of the grant, subject to adjustment in accordance with Section 3.6 or such greater number of Common Shares as shall have been duly approved by the Board and, if required by the TSXV Policies or any other stock exchange on which the Common Shares of the Corporation may then be listed, and by the shareholders of the Corporation.

4. Section 2.6(b) was updated to include the language in quotes and italics below, in accordance with Section 4.11 of TSXV Policy 4.4:

- (b) If and for so long as the Corporation's Common Shares are listed on the Exchange, the number of Common Shares which may be issuable under the Plan for the redemption of RSUs granted under the Plan and any other Share Compensation Arrangement:
- (i) *“within any 12 month period”, to any one Eligible Person, shall not exceed 5% of the total number of issued and outstanding Common Shares “on the Grant Date on a non-diluted basis (unless the Corporation has obtained the requisite Disinterested Shareholder approval);”*
  - (ii) *“within any 12 month period, to Insiders as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares (unless the Corporation has obtained the requisite Disinterested Shareholder approval), calculated on the Grant Date on a non-diluted basis;”*
  - (iii) to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares *“at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder approval);”*; and

provided that, in determining the number of Common Shares issuable, all RSUs granted shall be deemed to be redeemed into Common Shares.

5. Section 3.1 of the RSU Plan was updated to include the following language in italics and quotes, in accordance with section 4.6 of TSXV Policy 4.4: *“Restricted Share Units may not Vest before the date that is one year following the date on which the Restricted Share Unit is granted, other than upon death of an Eligible Person or where an Eligible Person ceases to be an Eligible Person in connection with a change of control, take-over bid, reverse takeover or other similar transaction.”*

6. Section 3.5 was updated to include the language in italics and quotes below, in accordance with sections 3.5(d) and 4.7(c) of TSXV Policy 4.4:

When Dividends are paid on Common Shares, an Eligible Person shall be credited with Dividend equivalents in respect of the Restricted Share Units credited to the Eligible Person's account as of the record date for payment of Dividends and no payment in cash should be made to any Eligible Person with respect to such Dividend equivalent, *“provided however that the Corporation shall be entitled to make a payment in cash in lieu of issuing Common Shares if the number of Common Shares available for issuance under this Plan have been exhausted.”* Such Dividend equivalents shall be converted into additional Restricted Share Units (including fractional Restricted Share Units) based on the Fair Market Value per Common Share on the date credited and redeemed on the Redemption Date, of the Restricted Share Unit with respect to which the Dividend equivalent was granted. *“Notwithstanding the foregoing, the maximum number of Restricted Share Units that may be credited to an Eligible Person under this Section 3.5 may not exceed the limits set out in Section 2.6(b). Other than the rights set out in this Section 3.5, an Eligible Person shall not be entitled to any rights as a shareholder of the Corporation until such time as the Common Shares underlying the Restricted Share Units have been issued to the Eligible Person.”*

7. Section 3.6 of the RSU Plan was updated to add the following language at the end of it, in accordance with section 4.7(d) of TSXV Policy 4.4: *“Any adjustment, other than in connection with a security consolidation or security split, to RSUs granted or issued under the Plan must be subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.”*

8. Section 4.2 of the RSU Plan was updated to add the following language, in accordance with section 4.11(g) of TSXV Policy 4.4: *“Such Restricted Share Units must be redeemed by no later than one year following the Eligible Person's death.”*

9. Section 7.1 of the RSU Plan was updated to add the language in italics and quotes below, in accordance with section 4.7(c) of TSXV Policy 4.4.

This Plan shall not be interpreted to create any entitlement of any Eligible Person to any Common Shares, or to the dividends payable pursuant thereto, except as expressly provided herein. “*Subject to Section 3.5,*” a holder of Restricted Share Units shall not have rights as a shareholder of the Corporation with respect to any Common Shares which may be issuable pursuant to the Restricted Share Units so held, whether voting, right on liquidation or otherwise.

A copy of the RSU Plan, as amended by the Board (the “**Amended RSU Plan**”) is set out as Appendix “C” to this Information Circular.

#### *Eligible Participants*

Participation in the Amended RSU Plan is restricted to employees of the Corporation and its subsidiaries (an “**RSU Eligible Person**”).

#### *Transferability*

RSUs are not transferable or assignable other than by will or the laws of descent and distribution.

#### *Grant of RSUs*

The Amended RSU Plan permits the Remuneration Committee of the Board, or if there is no such committee, the Board, to grant awards of RSUs to an RSU Eligible Person and to determine the RSU Redemption Date applicable to such RSUs. In addition, the Committee may, at its sole discretion, at the time of the grant of RSUs, make such RSUs subject to performance conditions to be achieved by the Corporation to entitle the holder thereof to receive the Common Shares.

Following vesting, the RSUs will be redeemed on or about (but not later than 30 days following) each applicable RSU Redemption Date (as defined in the RSU Plan) (the “**RSU Redemption Date**”), and the Eligible RSU Person will be entitled to receive and the Corporation will issue to such Eligible RSU Person, as applicable: (i) the number of Common Shares equal to the numbers of RSUs vested on the RSU Redemption Date. The RSU Redemption Date in respect of any RSU is the date provided for in the agreement granting the RSUs or if no date is set, the tenth (10<sup>th</sup>) anniversary of the grant date, unless otherwise provided for in the RSU Plan. The Remuneration Committee has the discretion to stipulate the length of time for vesting and to determine various performance objectives based on certain business criteria as a pre-condition to an RSU vesting.

#### *Payment of Dividend Equivalents*

When dividends are paid on Common Shares, an RSU Eligible Person shall be credited with dividend equivalents in respect of the RSUs credited to such RSU Eligible Person’s Account as of the record date for payment of dividends provided however that the Corporation shall be entitled to make a payment in cash in lieu of issuing Common Shares if the number of Common Shares available for issuance under this Plan have been exhausted. Such dividend equivalents shall be converted into additional RSUs (including fractional RSUs) based on the fair market value per Common Share on the date credited and redeemed on the date of redemption, of the RSUs with respect to which the dividend equivalent was granted.

#### *Maximum Number of Common Shares Issued*

The number of Common Shares which may be reserved for issuance under the Plan for the redemption of RSUs granted under the Amended RSU Plan, provided that, all RSUs granted shall be deemed to be redeemed into Common Shares for the purposes of this calculation, shall not exceed 15,000,000 Common Shares (the “**RSU Limit**”), which represents no more than 10% of the number of issued and outstanding Common Shares on the date of the adoption of the RSU Plan. Notwithstanding the RSU Limit, however, no RSUs may be issued under the Amended RSU Plan if such issuance, when aggregated with the number of Common Shares which may be issuable under all other share compensation arrangements, would exceed 10% of the number of issued and outstanding Common Shares at the time of the grant, subject to customary adjustments in accordance with the Amended RSU Plan and, if required by the TSXV Policies or any other stock exchange on which the Common Shares of the Corporation may then be listed, and by the shareholders of the Corporation.

If and for so long as the Common Shares are listed on the TSXV, the number of Common Shares which may be issuable under the Amended RSU Plan for the redemption of RSUs granted under such plan, and any other share compensation arrangement, within any one-year period: (i) to any RSU Eligible Person, will not exceed 5% of the

total issued and outstanding Common Shares on the grant date on a non-diluted basis, (ii) to any Insiders as a group, will not exceed 10% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis, provided that, in determining the number of Common Shares issuable, all RSUs granted shall be deemed to be redeemed into Common Shares.

If and for so long as the Common Shares are listed on the TSXV, no RSUs will be granted under the Amended RSU Plan to any RSU Eligible Person whose role and duties primarily consist of Investor Relations Activities, as defined under the TSXV Policies.

#### *Termination of Employment*

If, prior to an RSU Redemption Date, an RSU Eligible Person terminates its employment in accordance with its employment agreement with the Corporation or a subsidiary, or where the Corporation or a subsidiary terminates the employment of RSU Eligible Person, provided no circumstances amounting to Cause (as defined in the RSU Plan) exist, the RSU Redemption Date will be deemed to be the date on which the termination of such employment takes effect and all RSUs granted to such RSU Eligible Person and outstanding under the RSU Plan will, on such termination date, immediately vest and be redeemed in accordance with the terms of the RSU Plan.

If, prior to an RSU Redemption Date, the employment of an RSU Eligible Person is terminated by the Corporation or a subsidiary or by an RSU Eligible Person where Cause exists or if an RSU Eligible Person voluntarily terminates its employment other than in accordance with its employment agreement, all of the RSU Eligible Person's RSUs will be cancelled and no amount will be paid by the Corporation to such RSU Eligible Person in respect of the RSUs so cancelled.

#### *Change of Control*

In the event of a change of control of the Corporation, all RSUs granted to RSU Eligible Persons and outstanding under the RSU Plan will immediately vest and will be redeemed.

#### *Shareholder Approval Being Sought*

Pursuant to the rules of the TSXV, the Amended RSU Plan must be passed by a majority of the votes cast on an ordinary resolution by Shareholders at the Meeting. The Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the RSU Plan, as amended by the Board:

**“BE IT RESOLVED** that:

1. the RSU Plan, as amended by the Board on August 19, 2022 (subject to receipt of shareholder approval), in the form attached as Appendix “C” to this management information circular (the **“Amended RSU Plan”**), is hereby approved as the restricted share unit plan of the Corporation and is hereby directed to be attached to the Minutes of this Meeting as a Schedule thereto;
2. the Corporation be authorized to grant restricted share units pursuant to and subject to the terms and conditions of the Amended RSU Plan;
3. the form of the Amended RSU Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation;
4. the number of common shares of the Corporation issuable under the Amended RSU Plan be set at a maximum of 15,000,000 Common Shares (the **“RSU Limit”**), provided that notwithstanding the RSU Limit, no additional RSUs may be issued under the Amended RSU Plan if such issuance, when aggregated with the number of issued and outstanding common shares which may be issuable under each other share compensation arrangement of the Corporation, would exceed 10% of the number of issued and outstanding common shares at the time of grant, subject to any limitations imposed by applicable laws, rules, regulation and policies;
5. the continuation of the 4,000,000 restricted share units outstanding on the date hereof under the Amended RSU Plan of the Corporation (and such other restricted share units as may be issued prior to the date of the Meeting in accordance with the terms of the Amended RSU Plan), without amendment to their terms except as required to comply with the Amended RSU Plan, be authorized and approved; and

6. any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing.”

The foregoing resolution must be approved by a simple majority of the votes cast by Shareholders at the Meeting by the Shareholders voting in person or by proxy. **The Management Designees, unless instructed otherwise, intend to vote to approve the RSU Plan, as amended by the Board, in substantially the form attached as Appendix “C” to this Information Circular.**

## EXECUTIVE COMPENSATION

### **Compensation Discussion and Analysis**

This compensation discussion and analysis describes and explains the Corporation’s policies and practices with respect to compensation.

#### ***Director and named executive officer compensation excluding compensation securities***

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the financial year ended December 31, 2021 in respect of the Corporation’s NEOs and Directors. A Named Executive Officer is defined under Form 51-102F6V - *Statement of Executive Compensation* (“**Form 51-102F6V**”) to include the following individuals:

- (a) the chief executive officer (“**CEO**” or “**Chief Executive Officer**”) of the Corporation or an individual who acted in a similar capacity during the most recently completed financial year;
- (b) each chief financial officer (“**CFO**” or “**Chief Financial Officer**”) of the Corporation or an individual who acted in a similar capacity during the most recently completed financial year;
- (c) the Corporation’s most highly compensated executive officer or most highly compensated individual acting in a similar capacity, other than the CEO and CFO, as at the end of the most recently completed financial year, and whose total compensation was, individually, more than CAD\$150,000 per year; and;
- (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year.

The Corporation’s Named Executive Officers for the year ended December 31, 2021 are William Dawes, Alexander Lemon and Tim Slater. William Dawes was appointed as CEO of the Corporation effective December 20, 2010 and prior thereto, served as a director of the Corporation’s subsidiary, Lancaster. Alexander Lemon was appointed as President of the Corporation effective December 20, 2010 and prior thereto, served as a director of the Corporation’s subsidiary, Lancaster. Tim Slater was appointed as interim CFO on January 7, 2020 replacing Sandra Evans as CFO. No other individuals were considered Named Executive Officers, as such term is defined in Form 51-102F6V, during the year ended December 31, 2021.

<b>Table of compensation excluding compensation securities</b>				
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (US\$)</b>	<b>All other compensation (US\$)</b>	<b>Total compensation (US\$)</b>
William Dawes, CEO and Director <sup>(1)</sup>	2021	227,137	Nil	227,137
	2020	193,706	Nil	193,706
Alexander Lemon, President and Director <sup>(1)</sup>	2021	227,137	Nil	227,137
	2020	193,706	Nil	193,706
Sandra Evans, CFO <sup>(2)</sup>	2021	N/A	N/A	N/A
	2020	49,955	Nil	49,955
Tim Slater, interim CFO <sup>(1)</sup>	2021	62,854	Nil	62,854
	2020	50,604	N/A	50,604
Derek Linfield, Chairman and Director	2021	59,577	Nil	59,577
	2020	40,000	Nil	40,000
Adrian Reynolds, Director <sup>(3)</sup>	2021	15,739	80,832 <sup>(6)</sup>	96,571
	2020	16,000	Nil	16,000
Sandra du Toit, Director <sup>(4)</sup>	2021	N/A	N/A	NA
	2020	6,798	Nil	6,798
Susan Muir, Director	2021	21,950	Nil	21,950
	2020	16,000	Nil	16,000
Shaun Treacy, Director	2021	21,950	Nil	21,950
	2020	16,000	Nil	198,801
Stephen Motteram Director <sup>(5)</sup>	2021	Nil	Nil	Nil
	2020	N/A	N/A	N/A

**Notes:**

- (1) These amounts were paid in Pound Sterling and are stated in United States dollars (“US\$”). The amounts in US\$ were determined using the relevant annual weighted average exchange rate.
- (2) These amounts were paid in Canadian dollars and are stated in US\$. The amounts in US\$ were determined using the relevant annual weighted average exchange rate. Sandra Evans resigned as CFO on January 7, 2020.
- (3) Adrian Reynolds resigned as a director on October 6, 2021.
- (4) Sandra du Toit resigned as a director on June 3, 2020.
- (5) Stephen Motteram became a director on October 29, 2021.
- (6) Honorarium payment.

**External Management Companies**

There are currently no contracts with external management companies in effect, other than the agreement with Leominex described below under “*Employment, consulting and management agreements – Management Agreements*”.

### ***Stock options and Other Compensation Securities***

The Corporation issued the following compensation securities to the directors or named executive officer during the year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

<b>Name and position</b>	<b>Type of Compensation Security</b>	<b>Number of Compensation Securities, Number of Underlying Securities and Percentage of Class<sup>(8)</sup></b>	<b>Date of Issue or Grant</b>	<b>Exercise Price (C\$)</b>	<b>Closing Price of Common Shares on date of grant (C\$)</b>	<b>Closing Price of Common Shares on December 31, 2021 (C\$)</b>	<b>Expiry Date</b>
William Dawes, CEO and Director <sup>(2)</sup>	Stock Options	400,000 <sup>(1)(3)</sup>	08/30/21	0.48	0.48	0.52	08/30/31
		60,000 <sup>(1)(3)</sup>	10/29/21	0.50	0.50	0.52	10/29/31
	11%				0.50	0.52	
	EMI Options	840,000 <sup>(1)</sup>	10/29/21				10/29/31
	50%			0.50	0.50	0.52	
	RSUs	2,000,000 <sup>(1)</sup>	10/29/21				10/29/31
		50%		N/A			
Alexander Lemon, President and Director <sup>(2)</sup>	Stock Options	400,000 <sup>(1)(4)</sup>	08/30/21	0.48	0.48	0.52	08/30/31
		60,000 <sup>(1)(4)</sup>	10/29/21	0.50	0.50	0.52	10/29/31
	11%				0.50	0.52	
	EMI Options	840,000 <sup>(1)</sup>	10/29/21	0.50	0.50	0.52	10/29/31
	50%				0.50	0.52	
	RSUs	2,000,000 <sup>(1)</sup>	10/29/21	N/A	0.50		10/29/31
		50%					
Derek Linfield, Chairman and Director <sup>(2)</sup>	Stock Options	1,000,000 <sup>(1)(5)</sup>	08/30/21	0.48	0.48	0.52	08/30/31
		28%					
Susan Muir, Director <sup>(2)</sup>	Stock Options	250,000 <sup>(1)(6)</sup>	08/30/21	0.48	0.48	0.52	08/30/31
		7%					
Shaun Treacy, Director <sup>(2)</sup>	Stock Options	250,000 <sup>(1)(7)</sup>	08/30/21	0.48	0.48	0.52	08/30/31
		7%					

#### **Notes:**

(1) Each Stock Option and EMI Option is exercisable for one Common Share. Each RSU is redeemable for one Common Share. See “*Approval of Stock Option Plan, as amended*” for a description of the Amended Stock Option Plan. See “*Approval of Enterprise Management Incentive Plan, as amended*” for a description of the EMI Plan. See “*Approval of RSU Plan, as amended*” for a description of the Amended RSU Plan. The percentage of class represents the percentages of all outstanding Stock Options, EMI Options and RSUs issued or granted under the Stock Option Plan, the EMI Option Plan and the RSU Plan, respectively.

(2) As at December 31, 2021, each of the directors and Named Executive Officers held the following number of Stock Options, EMI Options and RSUs, as applicable: William Dawes held 3,420,000 Stock Options, 840,000 EMI Options and 2,000,000 RSUs; Alexander Lemon held 3,420,000 Stock Options, 840,000 EMI Options and 2,000,000 RSUs; Derek Linfield held 3,160,000 Stock Options; Susan Muir held 1,195,000 Stock Options and Shaun Treacy held 1,195,000 Stock Options.

(3) The vesting provisions of the Stock Options, EMI Options and RSUs granted to William Dawes are as follows: In respect of the Stock Options granted on August 30, 2021, 25% vested at the date of grant and 25% six months thereafter, with the remaining 25% vesting on August 30, 2022. The Stock Options, EMI Options and RSUs



granted on October 29, 2021 vested on August 19, 2022, upon the filing of National Instrument 43-101 – Standards and Disclosure for Mineral Projects (“**43-101 Report**”) supporting a feasibility study on the Company’s Songwe Hill Rare Earths Project in Malawi.

(4) The vesting provisions of the Stock Options, EMI Options and RSUs granted to Alex Lemon are as follows: In respect of the Stock Options granted on August 30, 2021, 25% vested at the date of grant and 25% six months thereafter, with the remaining 25% vesting on August 30, 2022. The Stock Options, EMI Options and RSUs granted on October 29, 2021 vested upon the filing of a 43-101 Report.

(5) Of the Stock Options granted to Derek Linfield, 25% vested at the date of grant and 25% six months thereafter, with the remaining 25% vesting on August 30, 2022.

(6) Of the Stock Options granted to Susan Muir, 25% vest at the date of grant and 25% six months thereafter, with the remaining 25% vesting on August 30, 2022.

(7) Of the Stock Options granted to Shaun Treacy, 25% vest at the date of grant and 25% six months thereafter, with the remaining 25% vesting on August 30, 2022.

(8) An additional 1,270,000 Stock Options were outstanding as of December 31, 2021, which had been issued to employees and consultants of the Corporation during the year ended December 31, 2021.

### ***Exercise of Compensation Securities by Directors and NEOs***

On October 28, 2021, following his resignation from the Board of Directors on October 6, 2021, Adrian Reynolds exercised 1,240,000 Stock Options, as set out in the following table:

<b>Name and position</b>	<b>Type of Compensation Security</b>	<b>Number of Underlying Securities Exercised</b>	<b>Exercise Price Per Security (C\$)</b>	<b>Date of Exercise</b>	<b>Closing price per security on date of exercise (C\$)</b>	<b>Difference between exercise price and closing price on date of exercise (C\$)</b>	<b>Total value on exercise date (C\$)</b>
Adrian Reynolds, Former Director	Stock Options	630,000	0.06	10/28/21	0.54	0.48	302,400
		180,000	0.07	10/28/21	0.54	0.47	84,600
		180,000	0.14	10/28/21	0.54	0.40	72,000
		250,000	0.11	10/28/21	0.54	0.43	107,500

### ***Amended Stock Option Plan, Amended EMI Plan and Amended RSU Plan***

There were no options re-priced under the Amended Stock Option Plan or Amended EMI Plan or RSUs re-priced under the Amended RSU Plan during the Corporation’s financial year ended December 31, 2021.

### ***Employment and Services Agreement***

On October 1, 2021, the Corporation entered into a management services agreement (the “**Management Services Agreement**”) with Mkango Rare Earths UK Limited, a wholly-owned subsidiary of the Corporation, incorporated in the UK (“**Mkango UK**”). Pursuant to the Management Services Agreement, Mkango UK agreed to provide management services to the Corporation for a monthly service fee of £500. The Corporation also agreed to reimburse Mkango UK for the fees and expenses paid by Mkango UK in respect of the Corporation’s directors resident in the UK. Also on October 1, 2021, William Dawes and Alexander Lemon each entered into an employment agreement with Mkango UK.

### ***Material Terms of Employment Agreements and Consulting Agreements***

#### **Employment Agreements**

The non-executive directors’ compensation is agreed by the Board.

### *Other Compensation*

Other than as set forth herein, the Corporation did not pay any other compensation to Named Executive Officers of the Corporation (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full-time employees) during the last completed financial year.

### *Termination and Change of Control Benefits*

There is no employment contract, compensatory plan, or other arrangement in place with the Named Executive Officers, nor are there any agreements between the Corporation and the Named Executive Officers that provide for payment to the Named Executive Officers of the Corporation in connection with any termination, resignation, retirement or change in responsibilities of the Named Executive Officers, except as discussed under the section entitled “Executive Compensation” and other than pursuant to the Employment Agreements with William Dawes and Alexander Lemon which provide that:

- a) upon termination without cause, the employee will be entitled to an amount equal to 1.5 times the employee’s annual salary; and
- b) upon a Change of Control (as defined below), the consultant will be entitled to an amount equal to 1.5 times the employee’s annual salary.

The payments above upon termination without cause and Change of Control are in addition to the employee’s entitlements under the Amended Option Plan, the Amended EMI Plan and the Amended RSU Plan, as described above.

Under the respective Employment Agreements, a “**Change of Control**” shall occur if:

- a) a person, or persons acting jointly or in concert, beneficially holds more than 50% of the voting securities of the Corporation and, as a result, can exercise the right to elect a majority of the members of the Board;
- b) any merger or consolidation of the Corporation with, or sale of all or substantially all of the Corporation’s assets or business to, another person (other than an affiliate of the Corporation);
- c) there is a sale of ownership of 50% or more of the voting securities of the Corporation to another person (other than to an affiliate or subsidiary of the Corporation);
- d) a person, or persons acting jointly or in concert, as a result of any powers conferred by the articles of association or any other document or law/stock exchange regulation regulating the Corporation can direct that the affairs of the Corporation are conducted in accordance with their wishes; or
- d) any similar transaction or combination of the foregoing which would have substantially the same effect as any of the foregoing.

### Consulting Agreements

Since Lancaster’s incorporation in 2007, Leominex has been providing management and other services to Lancaster. This arrangement was formalized by the entering into of a service provision agreement between Leominex and Lancaster on September 20, 2010 (the “**Services Agreement**”). Pursuant to the terms of the Services Agreement, Leominex provides Lancaster with a variety of services, including administrative, financial and accounting, office equipment, title maintenance, human resource planning and advice, geological and other services (the “**Services**”). Leominex’s registered address is Jayla Place, Wickhams Cay 1, P.O. Box 3190, Road Town, Tortola, British Virgin Islands, VG1110. In addition to being directors of the Corporation, William Dawes, Alexander Lemon and Shaun Treacy are also directors of Leominex.

Under the Services Agreement, Leominex is entitled to recover its costs attributable to the provision of the Services, including general and overhead costs, human resources fees, salaries and expenses and disbursements, plus a handling fee of 15%. In respect of the services of an employee of Leominex, Leominex may alternatively charge Lancaster at the per diem prevailing market rate.

The Services Agreement also provides that Leominex may, at any time and from time to time, provide interest-bearing demand loans to Lancaster at the LIBOR rate for a 12-month deposit in United States dollars on the last business day of the previous month plus 2%.

Either party is entitled to terminate the Services Agreement on 90 days written notice to the other party. Lancaster is further entitled to terminate the Services Agreement on 30 days written notice in the event that (i) Leominex refuses to perform any additionally requested services or to implement changes to the Services requested by Lancaster; or (ii) Lancaster's board of directors is not satisfied that Leominex is capable of performing its plans and budgets for the due performance of the Services.

Other than pursuant to the Services Agreement, there are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

***Oversight and description of director and named executive officer compensation***

The Corporation's compensation philosophy is to provide competitive compensation with a view to attract, motivate and retain highly qualified executive officers capable of achieving the Corporation's strategic and performance objectives and ultimately creating and preserving shareholder value. Consistent with this philosophy, the Corporation's compensation program is designed to achieve the following key objectives:

- recruit, inspire and retain highly skilled executives;
- reward those who meet and exceed both short-term operational and long-term strategic goals; and
- align the interests of executives with corporate performance, and therefore Shareholders' interests.

The Board has not formally considered the implications of risks associated with the Corporation's compensation policies and practices as, in their view, the current structure of the Corporation's executive compensation arrangements is focused on long-term value and is designed to correlate to the long-term performance of the Corporation, which includes but is not limited to performance of its share price.

The NEOs (as defined below) and directors of the Corporation are not formally prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of shares, including shares granted or underlying share-based compensation or otherwise held directly or indirectly by an NEO or a director. In the view of the Board, the structure and nature of directors and executive compensation is designed to reduce the need to hedge or offset any potential decrease in the price of shares of the Corporation and is adequate to ensure that the interests of the directors and NEOs are adequately aligned with those of the Corporation generally.

Elements of Compensation Program

As discussed in further detail below, the Corporation's compensation program is comprised of two main elements:

- (1) base salaries;
- (2) long-term incentives in the form of security-based awards.

These components are combined to provide a compensation package that is designed to attract, retain and motivate the executive management of the Corporation with competitive remuneration packages. The remuneration policy is aligned to the Corporation's appetite for risk and long-term strategic goals. A proportion of remuneration is structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Corporation. In determining such policy, the remuneration committee takes into account all factors which it deems necessary, including relevant legal and regulatory requirements and the provisions and recommendations of relevant regulator guidance.

Base Salary

The primary element of the Corporation's compensation program is base salary. The Corporation's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. The amount payable to a named executive officer ("**Named Executive Officer**" or "**NEO**") as base salary is determined primarily by past performance, anticipated future contribution and internal value of the NEOs.

Stock Options, EMI Options and Restricted Share Units

The Amended Stock Option Plan, the Amended EMI Plan and the Amended RSU Plan are intended to align NEOs' long-term incentives with the interests of Shareholders. Under the Amended Stock Option Plan and EMI Plan, options are awarded to senior executives for present and potential contribution to the performance of the Corporation. Options issued by the Corporation vest over time and have a maximum ten-year term, providing incentives to

executives to support long-term corporate goals and Shareholder interests, further encouraging the long-term retention of such individuals. The grant of option-based awards to NEOs is approved by the Board.

Individual grants under the Amended Stock Option Plan, the EMI Plan and the Amended RSU Plan are determined by an assessment by the Board (who will receive recommendations from the Remuneration Committee) of an NEO's current and expected performance, contribution to the Corporation, level of responsibility, importance of position and taking into account the number of options already held by the individual.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

	<b>Number of securities to be issued upon exercise of outstanding Stock Options, EMI Options, RSUs, warrants and rights</b>	<b>Weighted-average exercise price of outstanding Stock Options, EMI Options, RSUs, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by security holders	19,850,000	0.14 <sup>(1)</sup>	1,670,654
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	19,850,000	0.14 <sup>(1)</sup>	1,670,654

Notes: Assumes that the RSUs have an exercise price of \$0.00. If the RSUs were excluded from the calculation, the weight-average price of the outstanding Stock Options and EMI Options would be \$0.18.

The Amended Option Plan provides for the issuance of stock options to acquire up to that number of Common Shares that is equal to 10% of the issued and outstanding Common Shares. This is a Rolling Plan. The Amended Option Plan was established to recognize contributions made by directors, officers, employees and consultants of the Corporation, to provide incentives to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Board administers the Amended Option Plan and it is their responsibility to ensure that the provisions of the Amended Option Plan are adhered to. Under the Amended Option Plan, options are issued pursuant to option agreements to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. Options issued under the Amended Option Plan expire on a date not later than ten years after the issuance of such option. As at the date hereof, there are 14,170,000 Stock Options outstanding and vested under the Amended Option Plan to purchase Common Shares, representing approximately 6.5% of the issued and outstanding Common Shares.

See “*Approval of Enterprise Management Incentive Plan, as amended – Description of Amended EMI Plan*” for a description of the Amended EMI Plan. As of the date hereof, there are 1,680,000 EMI Options outstanding under the Amended EMI Plan to purchase Common Shares representing approximately 0.8% of the issued and outstanding Common Shares.

See “*Approval of Restricted Share Unit Plan, as amended – Description of Amended RSU Plan*” for a description of the Amended RSU Plan. As of the date hereof, there are 4,000,000 RSUs outstanding under the Amended RSU Plan to purchase Common Shares representing approximately 1.9% of the issued and outstanding Common Shares.

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

No director or officer, or former director or officer of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

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

Other than as set forth herein and below, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or officer, proposed nominee for election as a director or any Shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year end 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 and the grant of Stock Options, EMI Options and RSUs which may be granted to such persons upon approval of the Amended Stock Option Plan, Amended EMI Option Plan and Amended RSU Plan and as may be set out herein.

### **MANAGEMENT CONTRACTS**

Since Lancaster's incorporation in 2007, Leominex has been providing management and other services to Lancaster. This arrangement was formalized by the entering into of a service provision agreement between Leominex and Lancaster on September 20, 2010 (the "**Services Agreement**"). Pursuant to the terms of the Services Agreement, Leominex provides Lancaster with a variety of services, including administrative, financial and accounting, office equipment, title maintenance, human resource planning and advice, geological and other services (the "**Services**"). Leominex's registered address is Jayla Place, Wickhams Cay 1, P.O. Box 3190, Road Town, Tortola, British Virgin Islands, VG1110. In addition to being directors of the Corporation, William Dawes, Alexander Lemon and Shaun Treacy are also directors of Leominex.

Under the Services Agreement, Leominex is entitled to recover its costs attributable to the provision of the Services, including general and overhead costs, human resources fees, salaries and expenses and disbursements, plus a handling fee of 15%. In respect of the services of an employee of Leominex, Leominex may alternatively charge Lancaster at the per diem prevailing market rate.

The Services Agreement also provides that Leominex may, at any time and from time to time, provide interest-bearing demand loans to Lancaster at the LIBOR rate for a 12-month deposit in United States dollars on the last business day of the previous month plus 2%.

Either party is entitled to terminate the Services Agreement on 90 days' written notice to the other party. Lancaster is further entitled to terminate the Services Agreement on 30 days written notice in the event that (i) Leominex refuses to perform any additionally requested services or to implement changes to the Services requested by Lancaster; or (ii) Lancaster's board of directors is not satisfied that Leominex is capable of performing its plans and budgets for the due performance of the Services.

Other than pursuant to the Services Agreement and the Management Services Agreement, there are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

### **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”), the Corporation is required to disclose its corporate governance practices as summarized below.

#### Board of Directors

The Board facilitates its exercise of independent supervision over the Corporation’s management through frequent meetings. The Board is currently composed of six directors, three of whom are considered to be independent for purposes of NI 58-101. The independent members of the Board are Derek Linfield, Susan Muir and Shaun Treacy. Alexander Lemon is not considered an independent director as he is the President of the Corporation, William Dawes is not considered independent as he is the CEO of the Corporation. Stephen Motteram is not considered independent as he is a director of Talaxis, which holds 10% or more of the Common Shares of the Corporation.

The Board may meet independently of management as needed. Although they are permitted to do so, the independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. To facilitate independent judgment among the Board, the Board encourages open and transparent discussions in carrying out its various functions. Furthermore, the Board is in regular formal and informal contact and independent directors are continually provided with the opportunity to be fully apprised of the Corporation’s plans and to question management as required.

#### Directorships

None of the directors of the Board are also directors of other reporting issuers (or equivalents).

#### Attendance

The following table sets forth the attendance by directors of formal board meetings held during the year ended December 31, 2021:

Name	Board Meetings Attended (in person or by telephone)
Adrian Reynolds <sup>(1)</sup>	13/13
Derek Linfield	14/14
William Dawes	14/14
Alexander Lemon	14/14
Susan Muir	14/14
Shaun Treacy	14/14
Stephen Motteram <sup>(2)</sup>	1/1

#### **Notes:**

- (1) Adrian Reynolds ceased to be a director on October 6, 2021.
- (2) Stephen Motteram became a director on October 29, 2021.

#### Position Descriptions

While the Board has not codified written descriptions of the Chair of the Board and each committee, the Chief Executive Officer or the Chief Financial Officer, the Corporation and the Board delineate the roles and responsibilities of each position through frequent and transparent communication with each other regarding such roles and responsibilities.

### Orientation and Continuing Education

The Corporation takes appropriate steps to assist new directors of the Corporation to develop an understanding of (i) the role of the Board and its committees; (ii) the contribution that directors are expected to make to the Board; and (iii) the nature and operation of the Corporation's business. The Corporation also provides all directors appropriate opportunities when required to maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Corporation's business remains current.

In order to orient new directors regarding the role of the Board, its committees and directors, including the business and operations of the Corporation, all potential new directors are given the opportunity to meet with the Chief Executive Officer and other directors to ask questions and become familiar with the Corporation prior to being elected as a director.

### Ethical Business Conduct

The Board has not adopted a written code for the directors, officers and employees but may consider doing so in the future. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors, which evoke such a conflict.

### Nomination of Directors

The Board has not appointed a nominating committee. The Board determines new nominees to the Board although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board including both formal and informal discussions among the directors and officers.

### Compensation

A copy of the Remuneration Committee Charter is attached as Appendix "D" to the Corporation's Information Circular dated August 30, 2021 and filed on SEDAR on September 10, 2021, describing the responsibilities, powers and operation of the Remuneration Committee. The table below lists the members of the Remuneration Committee following the Meeting and their independence:

<b>Name<sup>(1)</sup></b>	<b>Independent</b>
Derek Linfield	Yes
Stephen Motteram	No
Susan Muir <sup>(1)</sup>	Yes
Shaun Treacy	Yes

**Note:**

(1) Chair of Remuneration Committee.

Relevant Education and Experience

All the members of the Remuneration Committee have been involved in providing legal advice to or the financing, administration and operation of managing public companies or significant operations of private companies, which provides relevant experience to serve on the Remuneration Committee.

Other Board Committees

The Corporation has no standing committees at this time, other than the Remuneration Committee and the Audit Committee (as defined below).

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board. The Board through the careful selection of its members and from fostering a culture of openness has established an environment where its members are given ongoing feedback on their performance.

**AUDIT COMMITTEE**

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

Audit Committee Charter

A copy of the Audit Committee Charter is attached as Appendix “D” hereto.

Composition of the Audit Committee

The table below lists the members of the Audit Committee and their independence and financial literacy:

<b>Audit Committee Members</b>	<b>Independent</b>	<b>Financially Literate</b>
Stephen Motteram	No	Yes
Susan Muir	Yes	Yes
Shaun Treacy <sup>(1)</sup>	Yes	Yes

**Notes:**

(1) Chair of Audit Committee.

Relevant Education and Experience

All the members of the Audit Committee have been involved in the financing, administration and operation of managing public companies or significant operations of private companies. All members have the ability to read, analyze, and understand the complexities surrounding the issuance of financial statements.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures for the engagement of non-audit services. The Audit Committee has delegated to its members the authority to pre-approve non-audit services, provided, however, that such



pre-approval of non-audit services shall be presented to the Audit Committee at its first scheduled meeting following any such pre-approval.

External Auditor Service Fees (by Category)

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2021 (US\$)	Fees Paid to Auditor in Year Ended December 31, 2020 (US\$)
Audit Fees <sup>(1)</sup>	120,026	87,028
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	120,026	87,028

**Notes:**

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

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of its reporting obligations under NI 52-110 for the year ended December 31, 2020. This exempts a “venture issuer” (as defined in NI 52-110) from the requirement to comply with Part 3 “*Composition of the Audit Committee*” and Part 5 “*Reporting Obligations*” of NI 52-110.

**OTHER MATTERS**

Management of the Corporation is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter comes before the Meeting properly it is the intention of the persons named in the enclosed Proxy Form to vote the Common Shares represented thereby in accordance with their best judgement on such matters.

**ADDITIONAL INFORMATION**

Additional information and the Corporation’s Financial Statements relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation to request copies of the Corporation’s Financial Statements and management’s discussion and analysis (“**MD&A**”) by sending a request to the office of the Corporation. Financial information is provided in the Corporation’s annual Financial Statements and MD&A for the financial year ended December 31, 2021.

## APPENDIX “A”

### MKANGO RESOURCES LTD.

#### AMENDED AND RESTATED STOCK OPTION PLAN

##### 1. PURPOSE OF THE PLAN

The purpose of the Plan is to assist Mkango Resources Ltd. (the “**Corporation**”) in attracting, retaining and motivating directors, key officers, employees and consultants of the Corporation and of its subsidiaries and to closely align the personal interests of such directors, officers, employees and consultants with those of the shareholders by providing them with the opportunity, through options, to acquire common shares of the Corporation. Any reference herein to a consultant shall include any natural person consulting to the Corporation pursuant to a consulting agreement for the delivery of their services to the Corporation and any reference to the terms of such consultant’s agreement with the Corporation shall be a reference to the terms of such agreement.

##### 2. IMPLEMENTATION

The grant and exercise of any options under the Plan are subject to compliance with the applicable requirements of each stock exchange on which the shares of the Corporation are or become listed and of any governmental authority or regulatory body to which the Corporation is subject.

##### 3. ADMINISTRATION

The Plan shall be administered by the board of directors of the Corporation which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan. The board of directors may delegate any or all of its authority with respect to the administration of the Plan and any or all of the rights, powers and discretions with respect to the Plan granted to it under this Plan to such committee of directors of the Corporation as the board of directors may designate. Upon any such delegation the committee of directors, as the case may be, as well as the board of directors, shall be entitled to exercise any or all of such authority, rights, powers and discretions with respect to the Plan. When used in the context of this Plan “board of directors” shall be deemed to include any committee of directors acting on behalf of the board of directors.

##### 4. NUMBER OF SHARES UNDER PLAN

4.1 If and for so long as the Common Shares are listed on the TSX Venture Exchange (the “**Exchange**”), the number of common shares of the Corporation which may be issuable under the Plan, in combination with the aggregate number of common shares of the Corporation issuable under any other stock option plan, employee stock purchase plan, restricted share unit plan or any other compensation or incentive mechanism involving the issuance or potential issuance of common shares of the Corporation (each, a “**Share Compensation Arrangement**”) shall be limited to ten percent (10%) of the issued and outstanding common shares of the Corporation, calculated as at the date of grant (on a non-diluted basis) (the “**Optioned Shares**”). The Corporation currently has a separate restricted share unit plan that is a “fixed Stock Option Plan up to 10%” (as such term is defined in the TSX Venture Exchange Corporate Finance Manual) and permits the issuance of restricted share units (“**RSUs**”) issuable for up to 15,000,000 Shares, provided that in no case can Options or RSUs be issued or granted under all Share Compensation Arrangements that would require the issuance of more than ten percent (10%) of the issued and outstanding Common Shares of the Corporation at the date of grant.

4.2 If and for so long as the Common Shares are listed on the Exchange, the number of Common Shares which may be issuable under the Plan, in combination with Common Shares issuable under any other Share Compensation Agreement;

- (a) within any 12 month period to any one person, shall not exceed five percent (5%) (calculated on a non-diluted basis) of the then issued common shares of the Corporation (unless the Corporation has obtained the requisite disinterested Shareholder approval);
- (b) within 12 month period to Insiders (as a group), shall not exceed ten percent (10%) of the issued common shares of the Corporation at any point in time (unless the Corporation has obtained the

requisite disinterested Shareholder approval), calculated as at the date of grant on a non-diluted basis;

- (c) within any 12 month period to any one consultant, shall not exceed two percent (2%) of the then issued common shares of the Corporation, calculated as at date of grant on a non-diluted basis;
- (d) within any 12 month period to any Participants conducting investor relations activities, shall not exceed two percent (2%) of the then issued common shares of the Corporation, calculated as at the date of grant on a non-diluted basis; and
- (e) to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares at any time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).

In addition to the foregoing, any options issued to a Participant performing investor relations activities must vest in stages over no less than twelve months with no more than one-quarter of the options vesting in any three month period.

If option rights granted to an individual under the Plan shall expire or terminate for any reason without having been exercised in respect of certain Optioned Shares, such Optioned Shares may be made available for other options to be granted under the Plan.

## 5. ELIGIBILITY

Options may be granted under the Plan to any person who is a director, officer, employee or consultant of the Corporation, or of one of its subsidiaries, as the board of directors may from time to time designate as a participant under the Plan (a “**Participant**”). The Corporation as well as the Participant represents and confirms that any Participant under the Plan will be a *bona fide* director, officer, employee or consultant of the Corporation or of one of its subsidiaries. Subject to the provisions of this Plan, the total number of Optioned Shares to be made available under the Plan and to each Participant, the time or times and price or prices at which options shall be granted, the time or times at which such options are exercisable, and any conditions or restrictions on the exercise of options, shall be in the full and final discretion of the board of directors.

## 6. SHAREHOLDER APPROVAL

The Corporation will be required to obtain disinterested shareholder approval for the reduction in the exercise price of or extensions to Optioned Shares where the Optionee is an insider at the time of the proposed amendment.

The Corporation must obtain disinterested Shareholder approval of the Plan if the Plan, together with any other Share Compensation Arrangement, could result at any time in:

- the number of shares reserved for issuance under stock options granted to Insiders (as a group) exceeding 10% of the issued shares (calculated on a non-diluted basis);
- the grant to Insiders (as a group), within a 12 month period, of a number of options exceeding 10% of the issued shares (calculated on a non-diluted basis); or
- issuance to any one Participant, within a 12 month period, of a number of shares exceeding 5% of the issued shares (calculated on a non-diluted basis).

(“**Insider**” shall have the meaning set forth in the TSX Venture Exchange Corporate Finance Manual).

## 7. TERMS AND CONDITIONS

- Exercise Price

The exercise price to each Participant for each Optioned Share shall be as determined by the board of directors, but shall in no event be less than the market price of the common shares of the Corporation on the TSX Venture Exchange, or such other exchange on which the common shares are listed at the time of the grant of the option, less the maximum discount permitted under the policies of the TSX Venture Exchange or such other exchange on which the common shares are listed, or such other price as may be agreed to by the Corporation and approved by the TSX Venture Exchange or such other exchange on which the common shares are listed.

- **Option Agreement**

All options shall be granted under the Plan by means of an agreement between the Corporation and each Participant (the “**Option Agreement**”) in the form as may be approved by the board of directors, such approval to be conclusively evidenced by the execution of the Option Agreement by any one director or officer of the Corporation.
- **Length of Grant**

All options granted under the Plan shall expire not later than the tenth anniversary of the date such Options were granted or such other length of time as may be permitted under the policies of the stock exchange on which the common shares are listed.
- **Non-Assignability of Options**

An option granted under the Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by a Participant other than by will or other testamentary instrument or the laws of succession.
- **Right to Postpone Exercise**

Each Participant, upon becoming entitled to exercise the option in respect of any Optioned Shares in accordance with the Option Agreement, shall be entitled to exercise the option to purchase such Optioned Shares at any time prior to the expiration or other termination of the Option Agreement.
- **Exercise and Payment**

Any option granted under the Plan may be exercised by a Participant or the legal representative of a Participant giving notice to the Corporation specifying the number of shares in respect of which such option is being exercised, accompanied by payment (by cash or certified cheque payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of shares specified in the notice. Upon any such exercise of an option by a Participant the Corporation shall cause the transfer agent and registrar of the common shares of the Corporation to promptly deliver to such Participant or the legal representative of such Participant, as the case may be, a share certificate in the name of such Participant or the legal representative of such Participant, as the case may be, representing the number of shares specified in the notice.
- **Rights of Participants**

The Participants shall have no rights as shareholders in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions, voting rights, warrants or rights under any rights offering) other than Optioned Shares in respect of which Participants have exercised their option to purchase and which have been issued by the Corporation.
- **Third Party Offer**

If, at any time when an option granted under the Plan remains unexercised with respect to any Optioned Shares, an Offer to purchase all of the common shares of the Corporation is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of the Participants as soon as practicable and the Corporation may, at its option, require the acceleration of the time for the exercise of the option rights granted under the Plan and of the time for the fulfillment of any conditions or restrictions on such exercise.
- **Alterations in Shares**

In the event of a share dividend, share split, issuance of shares or instruments convertible into common shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of shares, recapitalization, amalgamation, merger, consolidation, corporate arrangement, reorganization, liquidation or the like of or by the Corporation, the board of directors may make such adjustment, if any, of the number of Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Participants under the Plan. Any adjustment, other than in connection with a security consolidation or security split, to

Options granted or issued under the Plan must be subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. In any such event, the maximum number of shares available under the Plan may be appropriately adjusted by the board of directors. If because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation of those in another company is imminent, the board of directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Participants and of the time for the fulfillment of any conditions or restrictions on such exercise. All determinations of the board of directors under this paragraph 6(i) shall be full and final.

- Termination where Cause exists

Subject to paragraph 6(l), if a Participant is dismissed as a director, officer, employee or consultant by the Corporation or by one of its subsidiaries or resigns, in either case in circumstances where Cause exists, all unexercised option rights of that Participant under the Plan shall terminate immediately upon such dismissal, notwithstanding the original term of the option granted to such Participant under the Plan.

- Termination where no Cause Exists

If a Participant is dismissed as a director, officer or employee by the Corporation or by one of its subsidiaries where no Cause exists (or where a consultancy agreement is terminated or cancelled otherwise than in accordance with its terms), the Participant shall have the right, for a period not exceeding 90 days from the date of such dismissal, to exercise the option under the Plan with respect to all Optioned Shares of such Participant. Upon the expiration of the 90 day period, all unexercised option rights of that Participant shall immediately terminate and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan. In the event that the Participant is engaged in investor relations activities, the 90 day period is abbreviated to 30 days.

- Disability or Retirement or Resignation

Notwithstanding paragraph 6(j), if a Participant ceases to be a director, officer, employee or consultant of the Corporation or of one of its subsidiaries as a result of:

- (i) disability or illness preventing the Participant from performing the duties routinely performed by such Participant;
- (ii) retirement at the normal retirement age prescribed by the Corporation pension plan;
- (iii) resignation (other than in circumstances where Cause exists); or
- (iv) such other circumstances as may be approved by the board of directors;

such Participant shall have the right for a period not exceeding 90 days from the date of ceasing to be a director, officer, employee or consultant (or, if earlier, until the expiry date of the option rights of the Participant pursuant to the terms of the Option Agreement) to exercise the option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the date of ceasing to be a director, officer, employee or consultant. Upon the expiration of the 90 day period (or such earlier expiry date as provided for in the Option Agreement) all unexercised option rights of that Participant shall immediately terminate and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan. In the event that the Participant is engaged in investor relations activities, the 90 day period is abbreviated to 30 days.

- Deceased Participant

In the event of the death of any Participant, the legal representatives of the deceased Participant shall have the right, for a period not exceeding one year from the date of death of the deceased Participant (or, if earlier, the date of expiry of the option pursuant to the terms of the Option Agreement), to exercise the deceased Participant's option with respect to all of the Optioned Shares of the deceased Participant to the extent they were exercisable on the date of death. Upon the

expiration of such period all unexercised option rights of the deceased Participant shall immediately terminate, notwithstanding the original term of the option granted to the deceased Participant under the Plan.

- Definition of Cause

“Cause” means any ground specified in the employment or consultant agreement of the Participant or relevant written policy of the Corporation or relevant employing Subsidiary as permitting termination of employment by the Corporation or relevant employing Subsidiary without notice or payment in lieu of notice and, in any event, includes any circumstance where the Participant (i) willfully fails to perform his/her duties with the Corporation or relevant employing Subsidiary; (ii) commits theft, fraud, dishonesty or misconduct involving the property, business or affairs of the Corporation or any of its Subsidiaries or in the performance of his/her duties; (iii) willfully breaches or fails to follow any material term of his/her employment agreement or consulting agreement; (iv) is convicted of a crime which constitutes an indictable offence; or (v) engages in conduct which would be treated as cause or grounds for summary dismissal by a court of competent jurisdiction in the jurisdiction in which the Participant is employed.

## 8. AMENDMENT AND DISCONTINUANCE OF PLAN

The board of directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to a Participant under the Plan without the consent of that Participant.

The board of directors may amend the terms of the Plan only where prior TSX Venture Exchange acceptance is obtained and where the following requirements are met:

- if the Participant is an Insider of the Corporation at the time of the amendment, the Corporation obtains disinterested Shareholder approval (as described in section 6 above) and the Exchange Hold Period is applied from the date of the grant of the Option;
- if the option exercise price is amended, at least six months have elapsed since the later of the date of commencement of the term, the date the Corporation’s shares commenced trading, or the date the option exercise price was last amended;
- if the option price is amended to represent a discount to the Market Price, the Exchange Hold Period is applied from the date of the grant of the option; and
- if the length of the stock option term is amended, any extension of the length of the term of the stock option is treated as a grant of a new option, and therefore also complies with pricing and other requirements of TSX Venture exchange Policy 4.4 *Incentive Stock Options*. The term of an option cannot be extended so that the effective term of the option exceeds 10 years in total. An option must be outstanding for at least one year before the Corporation can extend its term.

(“Market Price” and “Exchange Hold Period” shall have the meanings set forth in the TSX Venture Exchange Corporate Finance Manual).

## 9. NO FURTHER RIGHTS

Nothing contained in the Plan nor in any option granted under this Plan shall give any participant or any other person, any interest or title in or to any common shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation other than as set out in the Plan and pursuant to the exercise of any option, nor shall it confer upon any Participant any right to continue as an employee, officer, director or consultant of the Corporation or of any of its subsidiaries.

## 10. COMPLIANCE WITH LAWS

The obligations of the Corporation to sell common shares and deliver share certificates under the Plan are subject to such compliance by the Corporation and the Participants as the Corporation deems necessary or advisable with all applicable corporate and securities laws, rules and regulations.

**11. GENDER**

The use of the masculine gender in this Plan shall be deemed to include or be replaced by the feminine gender where appropriate to the particular Participant.

As amended by the Board of Directors on August 19, 2022, subject to receipt of shareholder approval.

## APPENDIX "B"

### MKANGO RESOURCES LTD.

#### EMI SHARE OPTION PLAN

#### Rules of the Mkango Resources Ltd. EMI Share Option Plan

#### 1. Interpretation

1.1 The following definitions and rules of interpretation apply in this Plan.

**51% Subsidiary:** has the meaning given in section 989 of the Income Tax Act 2007.

**Associate:** has the meaning given to "associate" by paragraph 31, paragraph 32 and paragraph 33 of Schedule 5, with Chapter 11 of Part 7 of ITEPA being applied for the purposes of paragraph 32(2).

**Blackout Period:** means a period of time imposed by the Corporation, pursuant to the Corporation's policies, upon certain designated persons during which those persons may not trade in any securities of the Corporation.

**Board:** the board of directors of the Corporation or a Committee.

**Cause:** means any ground specified in the employment agreement of an Option Holder or relevant written policy of the Corporation or relevant employing Subsidiary as permitting termination of employment by the Corporation or relevant employing Subsidiary without notice or payment in lieu of notice and, in any event, includes any circumstance where the Option Holder (i) willfully fails to perform his duties with the Corporation or relevant employing Subsidiary; (ii) commits theft, fraud, dishonesty or misconduct involving the property, business or affairs of the Corporation or any of its Subsidiaries or in the performance of his duties; (iii) willfully breaches or fails to follow any material term of his employment agreement; (iv) is convicted of a crime which constitutes an indictable offence; or (v) engages in conduct which would be treated as cause or grounds for summary dismissal by a court of competent jurisdiction in the jurisdiction in which the Option Holder is employed.

**Committee:** a committee of the Board comprised of not less than two directors appointed by the Board to carry out any of its functions under the Plan.

**Corporation:** Mkango Resources Ltd.

**CSOP Option:** a share option granted under a company share option plan which satisfies the provisions of Schedule 4 to ITEPA.

**Disinterested Shareholder Approval:** approval of a majority of the votes cast by holders of Common Shares that are neither Insiders entitled to receive Options under the Plan nor associates (as defined in the *Securities Act* (British Columbia)) of such Insiders.

**Disqualifying Event** has the meaning given in sections 533 to 536 of ITEPA.

**Eligible Employee:** any Employee who:



- a) is required to spend on average at least the Statutory Minimum Time on the business of all or any of the Group Companies;
- b) does not have a Material Interest (either on their own or together with one or more of their Associates); and
- c) has no Associate or Associates who or which has or (taken together) have a Material Interest.

**EMI Option:** a qualifying option as defined in paragraph 1(2) of Schedule 5.

**Employee:** an individual who is an employee of the Corporation or of a Group Company which is also a Qualifying Subsidiary.

**Employer Corporation:** the Option Holder's employer or former employer as applicable.

**Exchange:** the TSX Venture Exchange.

**Exercise Price:** the price at which each Share subject to an Option may be acquired on the exercise of that Option.

**Expiration Date:** the tenth anniversary of the Grant Date of an Option.

**Grant Date:** the date on which an Option is granted under the Plan.

**Group:** the Corporation and any Subsidiary from time to time which is also a 51% Subsidiary (and references to **Group Company** shall be construed accordingly).

**HMRC:** HM Revenue & Customs.

**Insider:** has the meaning given to it in the Exchange's Corporate Finance Manual.

**ITEPA:** the Income Tax (Earnings and Pensions) Act 2003.

**Market Value:** the market value of a Share determined in accordance with the provisions of Part VIII of the Taxation of Chargeable Gains Act 1992 but subject to paragraph 55(2) of Schedule 5.

**Material Interest:** has the meaning given in paragraph 28 of Schedule 5.

**NICs:** National Insurance contributions.

**Option:** an EMI Option granted under this Plan.

**Option Agreement:** a written or electronic agreement setting forth the terms and provisions applicable to an Option, entered into under rule 2.3. Each Option Agreement may contain terms and conditions in addition to those set forth in the Plan; *provided, however*, in the event of any conflict between the Plan and the Option Agreement, the Plan shall prevail.

**Optioned Shares:** has the meaning given in rule 3.2.

**Option Holder:** an individual who holds an Option or, where applicable, the individual's personal representatives.

**Person:** any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organisation or any similar entity.

**Plan:** the employees' share scheme (as defined in section 1166 of the Companies Act 2006) constituted and governed by these rules, as amended from time to time.

**Qualifying Subsidiary:** has the meaning given by paragraph 11 of Schedule 5.

**Relevant Restriction:** a provision included in any contract, agreement, arrangement or condition to which any of section 423(2), section 423(3) or section 423(4) of ITEPA would apply if references in them to employment-related securities were references to Shares.

**Schedule 5:** Schedule 5 to ITEPA, which specifies the requirements that must be met for a share option to be an EMI Option.

**Share Compensation Arrangement:** has the meaning given in rule 3.2.

**Shareholder:** a holder of shares.

**Shares:** common shares of the Corporation.

**Statutory Minimum Time:** an amount of committed time, (as defined in paragraph 26 of Schedule 5), equal to the statutory threshold (as defined in that paragraph).

**Subsidiary:** a subsidiary as defined in section 1159 of the Companies Act 2006.

**Sufficient Shares:** the smallest number of Shares that, when sold, produce an amount at least equal to the relevant Tax Liability (after deduction of brokerage and any other charges or taxes on the sale).

**Taxable Event:** any event or circumstance that gives rise to a liability for the Option Holder to pay income tax, NICs or both (or their equivalents in any jurisdiction) in respect of:

(a) the Option, including its exercise, assignment or surrender for consideration, or the receipt of any benefit in connection with it;

(b) any Shares (or other securities or assets):

- (i) earmarked or held to satisfy the Option;
- (ii) acquired on exercise of the Option;
- (iii) acquired as a result of holding the Option; or
- (iv) acquired in consideration of the assignment or surrender of the Option;

(c) any securities (or other assets) acquired or earmarked as a result of holding Shares (or other securities or assets) mentioned in (b) above; or

(d) entering into an election under section 430 or 431 of ITEPA; or

(e) any amount due under PAYE in respect of securities or assets within (a) to (c) above, including any failure by the Option Holder to make good such an amount in the time limit specified in section 222 of ITEPA.

**Tax Liability:** the total of any income tax and primary (employee) class 1 NICs (or their equivalents in any jurisdiction) for which any Employer Corporation of the Option Holder is or may be liable to account (or reasonably believes it is or may be liable to account) as a result of any Taxable Event.

**TSXV Policies:** the policies included in the TSX Venture Exchange Corporate Finance Manual and “TSXV Policy” means any one of them.

**Vesting Schedule:** the vesting timetable to be set out in each Option Agreement.

- 1.2 Rule headings shall not affect the interpretation of the Plan.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and vice versa.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 A reference to writing or written includes fax and email.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 The Plan shall be effective August 30, 2021; provided that no Shares may be issued under the Plan until and unless all required Exchange, regulatory and shareholder approvals have been obtained with respect to the issuance of the Shares hereunder.
- 1.10 The Corporation and the Eligible Employee are responsible for ensuring and confirming that the Eligible Employee is a bona fide Employee.

## **2. Grant of Options**

- 2.1 The Corporation (acting through the Board) may grant Options for commercial reasons in order to recruit or retain Eligible Employees. The Corporation may not grant Options as part of any scheme or arrangement for which the main purpose (or one of the main purposes) is the avoidance of tax.
- 2.2 The Corporation may not grant Options at any time when that grant would be prohibited by, or in breach of, any law, or regulation with the force of law.
- 2.3 The Corporation shall grant an Option by entering into an Option Agreement as a deed in a form approved by the Board. Each Option Agreement shall:
  - (a) specify the Grant Date of the Option, which shall not be earlier than the date on which the relevant Option Agreement is executed by the Corporation and the Option Holder;
  - (b) specify that the Option is granted under the provisions of Schedule 5;

- (c) specify the number of Shares over which the Option is granted;
- (d) specify the Exercise Price which shall not be less than 100 per cent of the Market Value on the Grant Date;
- (e) specify the Vesting Schedule;
- (f) specify the date when the Option will lapse, being not later than the Expiration Date, assuming that the Option is not exercised earlier and no event occurs to cause the Option to lapse earlier.
- (g) if the Shares are subject to any Relevant Restrictions, include details of those Relevant Restrictions;
- (h) include a statement that the Option is subject to these rules (which shall be incorporated into the Option Agreement by reference); and
- (i) include a declaration by the Option Holder of compliance with the Statutory Minimum Time requirement.

### 3. Overall EMI limit

- 3.1 No Option shall be granted which would cause the total Market Value (at the relevant Grant Dates) of the Shares (and any other shares in the Corporation) that can be acquired on the exercise of all Options to exceed £3 million (or such other limit as may be specified by paragraph 7 of Schedule 5 at the relevant time).
- 3.2 If and for so long as the Shares are listed on the Exchange, the number of Shares which may be issuable under the Plan, in combination with the aggregate number of Shares issuable under any other stock option plan, employee stock purchase plan, restricted share unit plan or any other compensation or incentive mechanism involving the issuance or potential issuance of common shares of the Corporation (each, a **Share Compensation Arrangement**) shall be limited to 10 percent (10%) (calculated on a non-diluted basis) of the issued and outstanding Shares of the Corporation at the Grant Date (the **Optioned Shares**). The Corporation currently has a separate restricted share unit plan that is a “fixed Stock Option Plan up to 10%” (as such term is defined in TSXV Policies) and permits the issuance of restricted share units (**RSUs**) issuable for up to 15,000,000 Shares, provided that in no case can Options or RSUs be issued or granted under all Share Compensation Arrangements that would require the issuance of more than ten percent (10%) of the issued and outstanding Shares of the Corporation at the Grant Date .
- 3.3 If and for so long as the Shares are listed on the Exchange, the number of Shares which may be issuable under the Plan, in combination with Shares issuable under any other Share Compensation Agreement:
  - (a) within any 12 month period, to any one Eligible Employee shall not exceed five percent (5%) (calculated on a non-diluted basis) of the then issued Shares of the Corporation (unless the Corporation has obtained the requisite Disinterested Shareholder Approval);
  - (b) within any 12 month period, to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval), calculated on the Grant Date on a non-diluted basis;

- (c) within any 12 month period, to any Eligible Employees conducting investor relations activities, shall not exceed two percent (2%) of the then issued Shares of the Corporation, calculated on the Grant Date on a non-diluted basis; and
- (d) to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval)s.

Any Options issued to Eligible Employees performing investor relations activities must vest in stages over no less than 12 months with no more than 1/4 of the Options vesting in any three month period.

- 3.4 If Options granted to an Eligible Employee under the Plan shall expire or terminate for any reason without having been exercised in respect of certain Optioned Shares, such Optioned Shares may be made available for other Options to be granted under the Plan.

#### **4. Individual EMI limits**

- 4.1 No Option shall be granted to an Eligible Employee which would cause the total Market Value (at the relevant Grant Dates) of the Shares that an Eligible Employee may acquire on the exercise of EMI Options granted to the Eligible Employee by reason of employment with:

- (a) any Group Company; or
- (b) any two or more Group Companies,

to exceed £249,999 (or £1 less than such other limit as may be specified in paragraph 5 of Schedule 5 at the relevant time).

- 4.2 Any CSOP Options granted to the relevant Eligible Employee by reason of employment with any Group Company shall be treated as EMI Options to be counted against the limit set out in rule 4.1.

- 4.3 If the grant of any Option that is intended to be an EMI Option would cause the limit in rule 4.1 to be exceeded, that Option shall not be an EMI Option so far as it relates to the excess.

- 4.4 If an Eligible Employee has been granted EMI Options over shares (which may include Shares) with a total Market Value of £250,000 (or such other limit as may be specified in paragraph 6 of Schedule 5 at the relevant time) by reason of employment with:

- (a) any Group Company; or
- (b) any two or more Group Companies,

whether or not those EMI Options have been exercised or released, any Option granted to that Eligible Employee shall not be an EMI Option if the Grant Date of that Option falls within the period of three years after the Grant Date of the last EMI Option to be granted to the Eligible Employee that falls within this rule 4.4.

## 5. Shareholder Approval

- 5.1 The Corporation will be required to obtain Disinterested Shareholder Approval for the reduction in the Exercise Price of, or extensions to, Optioned Shares where the Eligible Employee is an Insider at the time of the proposed reduction or extension.
- 5.2 The Corporation must obtain Disinterested Shareholder Approval of the Plan if the Plan, together with any other Share Compensation Arrangement, could result at any time in:
- (a) the number of Shares reserved for issuance under Options granted to Insiders (as a group) exceeding 10% of the issued Shares (calculated on a non-diluted basis);
  - (b) the grant to Insiders (as a group), within a 12 month period, of a number of Options exceeding 10% of the issued Shares (calculated on a non-diluted basis);
  - (c) issuance to any one Eligible Employee, within a 12 month period, of a number of Shares exceeding 5% of the issued Shares of the Corporation (calculated on a non-diluted basis).

## 6. Exercise Price

- 6.1 The Exercise Price to each Eligible Employee for each Optioned Share shall be as determined by the Board, but shall in no event be less than the market price of the Shares on the Exchange, or such other exchange on which the Shares are listed at the time of the grant of the Option, less the maximum discount permitted under the policies of the Exchange or such other exchange on which the Shares are listed at the time of the grant of the Option, or such other price as may be agreed to by the **Corporation** and approved by the Exchange or such other exchange on which the Shares are listed.

## 7. Exercise of Options

- 7.1 Subject to the other provisions of these rules, an Option Holder may only exercise an Option in accordance with the terms of the related Option Agreement.

## 8. Termination of employment

- 8.1 An Option Holder who gives or receives notice of termination of employment (whether or not lawful) and an Option Holder who ceases to be an Employee (whether or not following notice) may not exercise an Option at any time while the notice remains effective or after ceasing to be an Employee, except as set out in this rule 8.
- 8.2 If an Option Holder dies, the Option Holder's personal representatives may exercise his Option, to the extent exercisable under the Vesting Schedule on the date of death, during a period ending no later than one year after the death. To the extent that an Option has not been exercised by the end of that period it shall lapse and be incapable of further exercise.
- 8.3 An Option Holder who ceases to be an Employee as a result of:

- (i) disability or illness preventing him from performing the duties routinely performed by him;
- (ii) retirement;
- (iii) resignation (other than in circumstances where Cause exists); or
- (iv) such other circumstances as may be approved by the Board

may exercise his Option, to the extent vested under the Vesting Schedule on the date of cessation, during a period ending no later than 90 days after cessation or until the Expiration Date, if earlier, and to the extent that an Option has not been exercised by the end of that period it shall lapse and be incapable of further exercise. If the Option Holder is engaged in investor relations activities, the 90 day period is abbreviated to 30 days.

- 8.4 Unless rule 8.3 applies, an Option Holder who ceases to be an Employee as a result of being dismissed in circumstances where no Cause exists may exercise his Option in full irrespective of the extent to which it has vested - during a period ending no later than 90 days after cessation or until the Expiration Date, if earlier, and to the extent that an Option has not been exercised by the end of that period it shall lapse and be incapable of further exercise. If the Option Holder is engaged in investor relations activities, the 90 day period is abbreviated to 30 days.
- 8.5 For the avoidance of doubt, if an Option Holder is dismissed or resigns in circumstances where Cause exists, his Option shall immediately lapse and be incapable of future exercise.
- 8.6 An Option Holder shall not be regarded as ceasing to be an Employee until the Option Holder is no longer an employee or director of any Group Company.
- 8.7 Subject to rule 8.4, any part of an Option that is not exercisable under the Vesting Schedule at the date of cessation shall immediately lapse and be incapable of future exercise.

## **9. Manner of exercise of Options**

- 9.1 An Option shall be exercised by the Option Holder or his personal representatives giving a written or electronic exercise notice to the Corporation:
- (a) setting out the number of Shares over which the Option is being exercised; and
  - (b) using such form as may be approved by the Board.
- 9.2 An exercise notice shall be accompanied by:
- (a) payment by way of cash, certified cheque or bank draft of an amount equal to the Exercise Price multiplied by the number of Shares specified in the notice; and
  - (b) any payment required under rule 11 or, with the consent of the Board, if the Shares in respect of which the Option is being exercised are being sold by the Option Holder, written authority from

the Option Holder for the Corporation to receive the sale proceeds and to withhold the full Exercise Price for such Option Shares from such proceeds.

The Option Holder may enter into arrangements to the satisfaction of the Corporation for payment of the amounts due under this rule 9.2.

9.3 An exercise notice shall be invalid:

- (a) to the extent that it is inconsistent with the Option Holder's rights under these rules and the Option Agreement;
- (b) if any of the requirements of rule 9.1 or rule 9.2 are not met; or
- (c) if any payment referred to in rule 9.2 is made by a cheque that is not honoured on first presentation or that fails in any other manner to transfer the expected value to the Corporation.

9.4 The Corporation may permit the Option Holder to correct any defect in an exercise notice but shall not be obliged to do so. The date of any corrected exercise notice shall be the date of the correction rather than the original notice date for all purposes of the Plan.

9.5 The Corporation shall issue Shares as soon as reasonably practicable after a valid Option exercise.

9.6 Shares issued in satisfaction of the exercise of an Option shall rank equally in all respects with the other shares of the same class in issue at the date of allotment, except for any Relevant Restrictions or any rights determined by reference to a date before the date of allotment.

9.7 In the event that the proposed date of Option exercise occurs during a Blackout Period, then the exercise date shall be the date that is the tenth Business Day after the expiry of the Blackout Period.

## **10. Prohibition of assignment of Options**

An Option Holder may not transfer, assign, or have any charge or other security interest created over an Option (or any right arising under it). An Option shall lapse if the relevant Option Holder attempts to do any of those things. However, this rule does not prevent the transmission of an Option to an Option Holder's personal representatives on the death of the Option Holder.

## **11. Tax liabilities**

11.1 Each Option Agreement shall include the Option Holder's irrevocable agreement to:

- (a) pay to the Corporation or Employer Corporation (as appropriate) the amount of any Tax Liability; or
- (b) enter into arrangements to the satisfaction of the Corporation or Employer Corporation (as appropriate) for payment of any Tax Liability.



- 11.2 If an Option Holder does not fulfil the obligations under either rule 11.1(a) or rule 11.1(b) in respect of any Tax Liability arising from the exercise of an Option within seven days after the date of exercise, the Corporation shall withhold Sufficient Shares from the Shares that would otherwise be delivered to the Option Holder. The Option Holder's obligations under rule 11.1(a) and rule 11.1(b) shall not be affected by whether or not the Corporation withholds shares under this rule 11.2.
- 11.3 Option Holders shall have no rights to compensation or damages on account of any tax or NICs liability that arises or is increased (or is claimed to arise or be increased) in whole or in part because of:
- (a) any decision of HMRC that an Option does not meet the requirements of Schedule 5 and is therefore not an EMI Option, however that decision may arise;
  - (b) any Disqualifying Event, in whatever way that event may be caused; or
  - (c) the timing of any decision by the Board to permit exercise of an Option.

Each Option Agreement shall include the Option Holder's irrevocable agreement to enter into a joint election under section 431 of ITEPA in respect of the Shares to be acquired on exercise of the relevant Option, if required to do so by the Corporation or Employer Corporation, on or before any date of exercise of the Option.

- 11.4 Each Option Agreement shall include a power of attorney appointing the Corporation as the Option Holder's agent and attorney for the purposes of this rule 11.

## **12. Relationship with employment contract**

- 12.1 The rights and obligations of any Option Holder under the terms of their office or employment with any Group Company or former Group Company shall not be affected by being an Option Holder.
- 12.2 The value of any benefit realised under the Plan by Option Holders shall not be taken into account in determining any pension or similar entitlements.
- 12.3 Option Holders and Employees shall have no rights to compensation or damages on account of any loss in respect of Options or the Plan where this loss arises (or is claimed to arise), in whole or in part, from:
- (a) termination of office or employment with; or
  - (b) notice to terminate office or employment given by or to,

any Group Company or any former Group Company. This exclusion of liability shall apply in whatever way termination of office or employment, or the giving of notice, occurs and howsoever compensation or damages are claimed.

- 12.4 Option Holders and Employees shall have no rights to compensation or damages from any Group Company or any former Group Company on account of any loss in respect of Options or the Plan where this loss arises (or is claimed to arise), in whole or in part, from:

- (a) any company ceasing to be a Group Company; or
- (b) the transfer of any business from a Group Company to any person that is not a Group Company.

This exclusion of liability shall apply howsoever the change of status of the relevant Group Company, or the transfer of the relevant business, is caused, and howsoever compensation or damages are claimed.

12.5 An Employee shall not have any right to receive Options, whether or not any have previously been granted.

### **13. Third Party Offer**

If an offer to purchase all the shares of the Corporation is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of Option Holders as soon as practicable and the Corporation may, at its option, require the acceleration of the time for the exercise of Options and for the fulfilment of any conditions or restrictions on such exercise.

### **14. Alterations in Shares**

In the event of a share dividend, share split, issuance of shares or instruments convertible into common shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of shares, recapitalization, amalgamation, merger, consolidation, corporate arrangement, reorganization, liquidation or the like of or by the Corporation, the Board may make such adjustment, if any, of the number of Shares subject to Options, or of the Exercise Price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Option Holders under the Plan. Any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under the Plan, must be subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganisation, spin-off, dividend or recapitalisation. If, because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation for those in another company is imminent, the Board may, in a fair and equitable manner, determine the manner in which all unexercised Options under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such Options and of the time for the fulfilment of any conditions or restrictions on such exercise. All determinations of the Board under this rule 14 shall be full and final.

### **15. Amendment and Discontinuance of the Plan**

15.1 The Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any Options earlier granted to an Employee under the Plan without the consent of that Employee.

15.2 The Board reserves the right, in its sole discretion, to amend, suspend or terminate the Plan or any portion thereof at any time, in accordance with applicable legislation, provided that no such amendment, suspension or termination may (i) be made without obtaining any required regulatory or shareholder approvals, or (ii) adversely affect the rights of any Employee with respect to the Options to which the Employee is then entitled

under the Plan without the consent of the Employee. Notwithstanding the foregoing, the Corporation will be required to obtain shareholder approval or, if required under the TSXV Policies, Disinterested Shareholder Approval and Exchange approval, for any amendment related to:

- (a) the persons eligible to be granted Options under the Plan;
- (b) increasing the number or percentage of issued and outstanding Common Shares available for grant under the Plan;
- (c) limitations under the Plan on the number of Options that may be granted to any one person or any category of persons;
- (d) a change in the method of calculation of exercise of Options held by Employees;
- (e) an extension to the term for exercise of Options held by Employees;
- (f) permitting the Options granted under this Plan to be transferrable or assignable other than for normal estate settlement purposes;
- (g) the expiry and termination provisions applicable to the Options; and
- (h) amending this rule 15.2.

15.3 Unless an Employee otherwise agrees, any amendment to the Plan or an Options shall apply only in respect of Options granted on or after the date of such amendment.

15.4 The Board may amend the terms of the Plan only where prior Exchange acceptance is obtained and where the following requirements are met:

- (a) if an Option affected by the amendments is held by an Eligible Employee who is an Insider of the Corporation at the time of the amendment, the Corporation obtains Disinterested Shareholder Approval and the Exchange Hold Period is applied from the date of the grant of the Option;
- (b) if the Exercise Price of the Option is amended, at least six months have elapsed since the later of the date of commencement of the term, the date the Shares commenced trading, or the date the Exercise Price of the Option was last amended;
- (c) if the Exercise Price is amended to represent a discount to the Market Price, the Exchange Hold Period is applied from the date of the grant of the Option; and
- (d) if the length of the term of the Option is amended, any extension of the length of the term of the Option is treated as a grant of a new Option, and therefore also complies with pricing and other requirements of Exchange. The term of an Option cannot be extended so that the effective term of the Option exceeds 10 years in total. An Option must be outstanding for at least one year before the Corporation can extend its term.

“**Market Price**” and “**Exchange Hold Period**” shall have the meanings set forth in the TSX Venture Exchange Corporate Finance Manual.

15.5 Without limiting the generality of the foregoing, the Board may make the following amendments to the Plan, without obtaining shareholder approval:

- (a) amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including the rules of the Exchange, in place from time to time;
- (b) amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;
- (c) amendments to the provisions of the Plan respecting the terms and conditions on which Options may be granted pursuant to the Plan, including the provisions relating to the payment of the Options;
- (d) amendments to the Plan that are of a “housekeeping” nature; and
- (e) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or applicable rules of the Exchange,

provided, however, that no such amendment of the Plan may be made without the consent of each affected Employee in the Plan if such amendment would adversely affect the rights of such affected Employee(s) under the Plan.

## 16. Notices

16.1 Except as excluded by rule 16.3, any notice or other communication given under or in connection with the Plan shall be in writing and shall be either:

- (a) delivered by hand or by pre-paid first-class post or other next working day delivery service at the **Appropriate Address**;

For the purposes of this rule 16 the Appropriate Address means:

- (a) in the case of the Corporation, its registered office;
  - (b) the home address of an Employee or an Option Holder; and
  - (c) if the Option Holder has died and notice of the appointment of personal representatives is given to the Corporation, any contact address they have specified in that notice; or
- (b) sent by email to the **Appropriate Email Address**.

For the purposes of this rule 16, Appropriate Email Address means:

- (a) in the case of the Corporation: info@mkango.ca; and
- (b) the work email address of an Option Holder who is permitted to access personal emails at work.

16.2 Any notice or other communication given under this rule 16 shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt, or at the time the notice is left at the appropriate address;
- (b) if sent by prepaid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting, or at the time recorded by the delivery service; and
- (c) if sent by email, at 9.00 am on the next Business Day after sending.

16.3 This rule does not apply to:

- (a) the service of any notice of exercise under rule 9.1; and
- (b) the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

## **17. Administration**

17.1 The Board shall administer the Plan.

17.2 The Board shall determine any question of interpretation and settle any dispute arising under the Plan. In these matters, the Board's decision shall be final.

## **18. Third party rights**

18.1 A person who is not a party to an Option shall not have any rights under or in connection with it as a result of the Contracts (Rights of Third Parties) Act 1999 except where those rights arise under any rule of the Plan for any Employer Corporation of the Option Holder that is not a party to an Option. This does not affect any right or remedy of a third party that exists, or is available, apart from the Contracts (Rights of Third Parties) Act 1999.

18.2 The rights of the parties to an Option to surrender, terminate or rescind it, or agree any variation, waiver or settlement of it, are not subject to the consent of any person that is not a party to the Option as a result of the Contracts (Rights of Third Parties) Act 1999.

## **19. Data protection**

For the purpose of operating the Plan, the Corporation will collect and process information relating to Employees and Option Holders in accordance with applicable laws.

## **20. Governing law**

The Plan and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.

**21. Jurisdiction**

- 21.1 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with, the Plan or its subject matter or formation (including non-contractual disputes or claims).
- 21.2 Each party irrevocably consents to any process in any legal action or proceedings under rule 21.1 being served on it in accordance with the provisions of the Plan relating to service of notices. Nothing contained in the Plan shall affect the right to serve process in any other manner permitted by law.

As amended by the Board of Directors on August 19, 2022, subject to receipt of shareholder approval.

## APPENDIX “C”

### MKANGO RESOURCES LTD.

### RESTRICTED SHARE UNIT PLAN

#### ARTICLE 1 GENERAL PROVISIONS

##### 1.1 Purpose

This Restricted Share Unit Plan is established as a vehicle by which equity-based incentives may be awarded to the employees of the Corporation (or any Subsidiary of the Corporation), to recognize and reward their significant contributions to the long-term success of the Corporation including to align the employees', interests more closely with the shareholders of the Corporation.

##### 1.2 Definitions

As used in the Plan, the following terms have the following meanings:

- (a) “**Blackout Period**” means a period of time imposed by the Corporation, pursuant to the Corporation's policies, upon certain designated persons during which those persons may not trade in any securities of the Corporation;
- (b) “**Board**” means the Board of Directors of the Corporation;
- (c) “**Business Day**” means any day that is not a Saturday, Sunday or a holiday (as defined in the *Interpretation Act* (Canada)) in Vancouver, British Columbia;
- (d) “**Cause**” means any ground specified in the employment agreement of the Eligible Person or relevant written policy of the Corporation or relevant employing Subsidiary as permitting termination of employment by the Corporation or relevant employing Subsidiary without notice or payment in lieu of notice and, in any event, includes any circumstance where the Eligible Person (i) willfully fails to perform his/her duties with the Corporation or relevant employing Subsidiary; (ii) commits theft, fraud, dishonesty or misconduct involving the property, business or affairs of the Corporation or any of its Affiliates or in the performance of his/her duties; (iii) willfully breaches or fails to follow any material term of his/her employment agreement; (iv) is convicted of a crime which constitutes an indictable offence; or (v) engages in conduct which would be treated as cause or grounds for summary dismissal by a court of competent jurisdiction in the jurisdiction in which the Eligible Person is employed.
- (e) “**Change of Control**” means the occurrence of any of the following events:
  - (i) the acquisition by any persons acting jointly or in concert (as determined in accordance with the *Securities Act* (British Columbia)), whether directly or indirectly, of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Corporation;
  - (ii) an amalgamation, arrangement or other form of business combination of the Corporation with another company that results in the holders of voting securities of that other company holding, in the aggregate, more than 50% of all outstanding voting securities of the Corporation resulting from the business combination;

- (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than in the ordinary course of business of the Corporation or to a related entity; or
- (iv) any other transaction that is deemed to be a “Change of Control” for the purposes of this Plan by the Board in its sole discretion;
- (f) “**Committee**” means the Remuneration Committee of the Board or such other persons designated by the Board to determine the grants of Restricted Share Units and administer this Plan or, if no such committee or other persons have been designated by the Board, the Board;
- (g) “**Common Share**” means a common share in the capital of the Corporation;
- (h) “**Constructive Dismissal**” means termination of employment by reason of the Employee’s resignation in response to the fundamental breach of their employment contract by the Corporation or relevant employing Subsidiary;
- (i) “**Corporation**” means Mkango Resources Ltd and its successors and assigns;
- (j) “**Disinterested Shareholder**” means a holder of Common Shares that is not an insider (as defined in the *Securities Act* (British Columbia)) nor an associate (as defined in the *Securities Act* (British Columbia)) of an insider to whom a Restricted Share Unit may be issued under this Plan;
- (k) “**Dividend**” means a dividend declared and payable on a Common Share in accordance with the Corporation’s dividend policy as the same may be amended from time to time (an “**Ordinary Dividend**”), and may, in the discretion of the Committee include a special or stock dividend (a “**Special Dividend**”), and may, in the discretion of the Committee, include a Special Dividend declared and payable on a Common Share;
- (l) “**Eligible Person**” means any Employee who is designated as an Eligible Person pursuant to Section 2.1;
- (m) “**Employee**” means a bona fide employee of the Corporation or any of its Subsidiaries from time to time;
- (n) “**Exchange**” means, collectively, the TSX Venture Exchange, any successor thereto and any other stock exchange or trading facilities through which the Common Shares trade or are quoted from time to time;
- (o) “**Fair Market Value**” means the closing price of the Common Shares on the Exchange on the Business Day immediately prior to the relevant date, or if the Common Shares are not listed on the Exchange, then on such other stock exchange or quotation system as may be selected by the Committee, provided that, if the Common Shares are not listed or quoted on any other stock exchange or quotation system, then the Fair Market Value will be the value determined by the Committee in its sole discretion acting in good faith;
- (p) “**Grant Date**” means any date determined from time to time by the Committee as a date on which a grant of Restricted Share Units will be made to one or more Eligible Persons under this Plan;
- (q) “**Investor Relations Activities**” shall have the meaning ascribed to such term in the TSXV Policies;
- (r) “**Plan**” means this Restricted Share Unit Plan, as amended from time to time;
- (s) “**Redemption Date**” in respect of any Restricted Share Unit means (i) the date as determined by the Committee in its sole discretion and provided for in the Grant Agreement, or (ii) if no date is set,



the tenth (10<sup>th</sup>) anniversary of the Grant Date on which such Restricted Share Unit was granted to the Eligible Person, unless (iii) Section 3.6, 4.1, 4.2 or 6.2 is applicable, in which case the Redemption Date(s) in respect of such Restricted Share Unit shall be the date(s) established as such in accordance with the applicable Section.

- (t) **“Reorganization”** means any declaration of any stock dividend (other than a Special Dividend in respect of which the Committee, in its discretion, determines that Eligible Persons are to be paid pursuant to Section 3.5), stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than Ordinary Dividends) of the Corporation’s assets to shareholders or any other similar corporate transaction or event which the Board determines affects the Common Shares such that an adjustment is appropriate to prevent dilution or enlargement of the rights of Eligible Persons under this Plan;
- (u) **“Restricted Share Unit”** means one notional Common Share (without any of the attendant rights of a shareholder of such Common Share, including, without limitation, the right to vote such Common Share and the right to receive dividends thereon, except to the extent otherwise specifically provided herein) credited by bookkeeping entry to a notional account maintained by the Corporation in respect of an Eligible Person in accordance with this Plan;
- (v) **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (w) **“Subsidiary”** has the meaning set out in the *Securities Act* (British Columbia); and
- (x) **“Termination Date”** means the earlier of the following (i) the date on which an Eligible Person ceases to be an Employee, howsoever arising; and (ii) the date on which any period of statutory minimum or contractual notice of termination of employment of an Eligible Person commences, irrespective of whether employment continues or the Eligible Person works throughout such notice period.
- (y) **“TSXV Policies”** means the policies included in the TSX Venture Exchange Corporate Finance Manual and **“TSXV Policy”** means any one of them.
- (z) **“Vesting”** means, in respect of a Restricted Share Unit, becoming capable of being redeemed for Common Shares on a Redemption Date and **“Vest”** and **“Vested”** shall have corresponding meanings.

### ***1.3 Effective Date***

The Plan shall be effective August 30, 2021; provided that no Common Shares may be issued under the Plan until and unless all required Exchange, regulatory and Disinterested Shareholder approvals have been obtained with respect to the issuance of the Common Shares hereunder.

### ***1.4 Governing Law; Subject to Applicable Regulatory Rules***

The Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The provisions of the Plan shall be subject to the applicable by-laws, rules and policies of the Exchange and applicable securities legislation.

## ARTICLE 2 ELIGIBILITY AND PARTICIPATION

### 2.1 *Eligibility*

This Plan applies to those Employees whom the Committee designates as eligible for a grant of Restricted Share Units pursuant to Section 3.1. The Committee shall make such a designation prior to each Grant Date. The Corporation and the Employee are responsible for ensuring and confirming that the Employee is a bona fide Employee.

### 2.2 *Rights Under the Plan*

Subject to Article 4 and Article 5, an Eligible Person who has been granted Restricted Share Units shall continue to have rights in respect of such Restricted Share Units until such Restricted Share Units have been redeemed for Common Shares in accordance with this Plan, provided that, subject to Section 3.5, an Eligible Person who has been granted Restricted Share Units shall not be entitled to any rights as a shareholder of the Corporation until such time as the Common Shares underlying the Restricted Share Units have been issued to the Eligible Person.

### 2.3 *Copy of the Plan*

The Corporation shall provide each Eligible Person with a copy of this Plan following the initial grant of Restricted Share Units to such Eligible Person and shall provide each Eligible Person with a copy of all amendments to this Plan.

### 2.4 *Limitation on Rights*

Nothing in this Plan shall confer on any Employee any right to be designated as an Eligible Person or to be granted any Restricted Share Units. There is no obligation for uniformity of treatment of Eligible Persons or any group of Employees or Eligible Persons, whether based on salary or compensation, grade or level or organizational position or level or otherwise. A grant of Restricted Share Units to an Eligible Person on one or more Grant Dates shall not be construed to create a right to a grant of Restricted Share Units on a subsequent Grant Date.

### 2.5 *Grant Agreements*

Each grant of Restricted Share Units shall be evidenced by a written agreement (a “**Grant Agreement**”) executed by the Eligible Person in substantially the form appended as Schedule A hereto. An Eligible Person will not be entitled to any grant of Restricted Share Units or any benefit of this Plan unless the Eligible Person agrees with the Corporation to be bound by the provisions of this Plan. By entering into an agreement described in this Section 2.5, each Eligible Person shall be deemed conclusively to have accepted and consented to all terms of this Plan and all bona fide actions or decisions made by the Committee. Such terms and consent shall also apply to and be binding on the legal representative, beneficiaries, heirs and successors of each Eligible Person.

### 2.6 *Participation Limits*

- (a) The number of Common Shares which may be reserved for issuance under the Plan for the redemption of RSUs granted under the Plan, provided that, all RSUs granted shall be deemed to be redeemed into Common Shares for the purposes of this Section 2.6(a), shall not exceed 15,000,000 Common Shares (the “**RSU Limit**”), which represents no more than 10% of the number of issued and outstanding Common Shares on the date of initial adoption of the Plan. However, notwithstanding the RSU Limit, no RSUs may be issued under the Plan if such issuance, when aggregated with the number of Common Shares which may be issuable under all other Share Compensation Arrangements, would exceed 10% of the number of issued and outstanding Common Shares at the time of the grant, subject in each case to adjustment in accordance with Section 3.6 or such greater number of Common Shares as shall have been duly approved by the Board and, if required by the TSXV Policies or any other stock exchange on which the Common Shares of the Corporation may then be listed, and by the shareholders of the Corporation.

- (b) If and for so long as the Corporation's Common Shares are listed on the Exchange, the number of Common Shares which may be issuable under the Plan for the redemption of RSUs granted under the Plan and any other Share Compensation Arrangement:
- (i) within any 12 month period, to any one Eligible Person, shall not exceed 5% of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis (unless the Corporation has obtained the requisite Disinterested Shareholder approval);
  - (ii) within any 12 month period, to Insiders as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares (unless the Corporation has obtained the requisite Disinterested Shareholder approval), calculated on the Grant Date on a non-diluted basis;
  - (iii) to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder approval); and
- provided that, in determining the number of Common Shares issuable, all RSUs granted shall be deemed to be redeemed into Common Shares.
- (c) If and for so long as the Corporation's Common Shares are listed on the Exchange, no RSUs shall be granted under the Plan to any Eligible Person whose role and duties primarily consist of Investor Relations Activities.

## **2.7 No Fractional Shares**

No fractional Common Shares may be issued under the Plan. In the event the number of Common Shares to be issued upon the redemption of Restricted Share Units is a fraction, the respective Eligible Person will receive the next lowest whole number of Common Shares and will not receive any other form of compensation (cash or otherwise) for the fractional interest.

## **ARTICLE 3 RESTRICTED SHARE UNITS**

### **3.1 Grant of Restricted Share Units**

On each Grant Date, the Committee shall designate Eligible Persons and determine the number of Restricted Share Units to be granted to each Eligible Person in the Committee's sole discretion. Concurrent with the determination to grant Restricted Share Units to an Eligible Person, the Committee shall determine the Redemption Date applicable to such Restricted Share Units. In addition, the Committee may, at its sole discretion, at the time of the grant of Restricted Share Units, determine whether to make the Vesting of such Restricted Share Units subject to performance conditions to be achieved by the Corporation, the Eligible Person or a class of Eligible Persons, prior to the Redemption Date, for such Restricted Share Units to entitle the holder thereof to receive the Common Shares thereunder. Restricted Share Units may not Vest before the date that is one year following the date on which the Restricted Share Unit is granted, other than upon death of an Eligible Person or where an Eligible Person ceases to be an Eligible Person in connection with a change of control, take-over bid, reverse takeover or other similar transaction.

### **3.2 Redemption of Restricted Share Units**

Unless redeemed earlier in accordance with this Plan, the Restricted Share Units of each Eligible Person will be redeemed on or about (but not later than 30 days following) each applicable Redemption Date, and the Eligible Person will be entitled to receive and the Corporation will issue to the Eligible Person a number of Common Shares equal to the number of Restricted Share Units (net of any applicable statutory withholdings) that have Vested on the

Redemption Date(s). Where the Committee has not, when granting Restricted Share Units, included a date or condition of Vesting, Vesting shall be deemed to occur on the Redemption Date.

### **3.3 *Blackout Period***

In the event the Redemption Date, determined in accordance with the Plan occurs during a Blackout Period applicable to the relevant Eligible Person, then the Redemption Date, as applicable, shall be the date that is the tenth Business Day after the expiry of the Blackout Period.

### **3.4 *Withholding Taxes***

The Corporation or any applicable Subsidiary may take such steps as are considered necessary or appropriate for the withholding of any income tax or class 1 national insurance contributions (“**Tax Liabilities**”) which the Corporation or any Subsidiary is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Common Share including, without limiting the generality of the foregoing, the withholding of the issue of Common Shares to be issued under the Plan, until such time as the Eligible Person has paid the Corporation for any amount which the Corporation (or a Subsidiary) is required to withhold with respect to such Tax Liabilities or has entered into arrangements to the satisfaction of the Corporation. Without limitation to the foregoing, the Committee may, if applicable, adopt administrative rules under the Plan which provide for the sale of Common Shares (or a portion thereof) in the market upon the issuance of such Common Shares under the provisions of the Plan and the application of the proceeds of sale to satisfy withholding obligations under the Plan.

Notwithstanding any provision in this Plan, the ultimate liability for all taxes legally payable by an Eligible Person is and remains the Eligible Person’s responsibility, and such tax liability may exceed the amount actually withheld by the Corporation or applicable Subsidiary. Neither the Corporation nor any Subsidiary (a) makes any representations or undertakings regarding the treatment of any taxes under applicable laws in connection with any aspect of this Plan; nor (b) commits to or under any obligation to structure the terms of this Plan to reduce or eliminate an Eligible Person’s liability for taxes or achieve any particular tax result under any applicable laws.

### **3.5 *Payment of Dividend Equivalents***

When Dividends are paid on Common Shares, an Eligible Person shall be credited with Dividend equivalents in respect of the Restricted Share Units credited to the Eligible Person’s account as of the record date for payment of Dividends provided however that the Corporation shall be entitled to make a payment in cash in lieu of issuing Common Shares if the number of Common Shares available for issuance under this Plan have been exhausted. Such Dividend equivalents shall be converted into additional Restricted Share Units (including fractional Restricted Share Units) based on the Fair Market Value per Common Share on the date credited and redeemed on the Redemption Date, of the Restricted Share Unit with respect to which the Dividend equivalent was granted. Notwithstanding the foregoing, the maximum number of Restricted Share Units that may be credited to an Eligible Person under this Section 3.5 may not exceed the limits set out in Section 2.6(b). Other than the rights set out in this Section 3.5, an Eligible Person shall not be entitled to any rights as a shareholder of the Corporation until such time as the Common Shares underlying the Restricted Share Units have been issued to the Eligible Person.

### **3.6 *Adjustments***

If any change occurs in the outstanding Common Shares by reason of a Reorganization, the Committee, in its sole discretion, and without liability to any person, shall make such equitable changes or adjustments, if any, as it considers appropriate, in such manner as the Committee may consider equitable, to reflect such change or event including, without limitation, adjusting the number of Restricted Share Units credited to Eligible Persons and outstanding under the Plan, provided that any such adjustment will not otherwise extend the Redemption Date otherwise applicable. The Corporation shall give notice to each Eligible Person of any adjustment made pursuant to this section and, upon such notice, such adjustment shall be conclusive and binding for all purposes. The existence of outstanding Restricted Share Units shall not affect in any way the right or power and authority of the Corporation or its shareholders to make or authorize any alteration, recapitalization, reorganization or any other change in the Corporation’s capital structure or its business or any merger or consolidation of the Corporation, any issue of bonds, debentures or preferred or

preference shares (ranking ahead of the Common Shares or otherwise) or any right thereto, or the dissolution or liquidation of the Corporation, any sale or transfer of all or any part of its assets or business or any corporate act or proceeding whether of a similar character or otherwise. Any adjustment, other than in connection with a security consolidation or security split, to RSUs granted or issued under the Plan must be subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

### ***3.7 Offer of Common Shares - Change of Control***

Notwithstanding anything else herein to the contrary, subject to prior approval of the Exchange if required, in the event of a Change of Control, then the Redemption Date shall be deemed to be the date on which the Change of Control occurs, and all Restricted Share Units granted to the Eligible Persons and outstanding under the Plan shall immediately Vest and be paid out in accordance with Section 3.2.

## **ARTICLE 4 EVENTS AFFECTING ENTITLEMENT**

### ***4.1 Termination of Employment***

- (a) **Voluntary Termination in accordance with Employment Agreement or Involuntary Termination.** If, prior to a Redemption Date, an Eligible Person terminates its employment in accordance with the terms of its employment agreement with the Corporation or relevant Subsidiary or the Eligible Person's employment is terminated by the Corporation or relevant Subsidiary (which includes termination by the Eligible Person in circumstances amounting to Constructive Dismissal) then provided in each case that no circumstances amounting to Cause exist, the Restricted Share Units shall be deemed to Vest on, and Redemption Date shall be deemed to be, the date on which the termination of the Eligible Person's employment takes effect and all Restricted Share Units granted to such Eligible Person and outstanding under the Plan shall, on such termination date, immediately Vest and be redeemed in accordance with Section 3.2.
- (b) **Termination for Cause or Voluntary Termination other than in accordance with Employment Agreement.** If the employment of an Eligible Person is terminated by the Corporation or a Subsidiary or by an Eligible Person in circumstances where Cause exists, or if an Eligible Person voluntarily terminates its employment other than in accordance with the terms of its employment agreement with the Corporation or relevant Subsidiary, or if employment is otherwise terminated in circumstances other than where Section 4.1(a) applies, all of the Eligible Person's Restricted Share Units shall be cancelled and no amount shall be paid by the Corporation or any Subsidiary to the Eligible Person in respect of the Restricted Share Units so cancelled.

### ***4.2 Death***

All of the Restricted Share Units of an Eligible Person who dies shall be redeemed in accordance with Section 3.2. For the purposes of the foregoing, the Redemption Date (and the date on which the Restricted Share Units shall be deemed to have Vested) shall be the date of the Eligible Person's death. Such Restricted Share Units must be redeemed by no later than one year following the Eligible Person's death.

### ***4.3 No Grants Following Last Day of Active Employment***

In the event of termination of any Eligible Person's employment with the Corporation or any Subsidiary, such Eligible Person shall not be granted any Restricted Share Units pursuant to Section 3.1 after the Termination Date of such Eligible Person. Without limiting the generality of the foregoing and of Section 2.4, notwithstanding any other provision hereof, and notwithstanding any provision of any employment agreement between any Eligible Person and the Corporation or a Subsidiary, no Eligible Person will have any right to be awarded additional Restricted Share Units, and shall not be awarded any Restricted Share Units, pursuant to Section 3.1 after the Termination Date of such Eligible Person. Notwithstanding any other provision hereof, or any provision of any employment agreement between

the Corporation (or any Subsidiary) and an Eligible Person, in no event will any Eligible Person have any right to damages in respect of any loss of any right to be awarded Restricted Share Units pursuant to Section 3.1 after the Termination Date of such Eligible Person and no severance allowance, or termination settlement of any kind in respect of any Eligible Person will include or reflect any claim for such loss of right and no Eligible Person will have any right to assert, claim, seek or obtain, and shall not assert, claim, seek or obtain, any judgment or award in respect of or which includes or reflects any such right or claim for such loss of right.

## **ARTICLE 5 ADMINISTRATION**

### **5.1      *Transferability***

Rights respecting Restricted Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### **5.2      *Administration***

The Committee shall, in its sole and absolute discretion, but subject to applicable corporate, securities and tax law requirements: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Committee deems necessary or desirable for the administration and operation of the Plan. The Committee may delegate to any person any administrative duties and powers under this Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Eligible Person and his or her legal representative. The Board may establish policies respecting minimum ownership of Common Shares of the Corporation by Eligible Persons and the ability to elect Restricted Share Units to satisfy any such policy.

### **5.3      *Records***

The Corporation will maintain records indicating the number of Restricted Share Units credited to an Eligible Person under the Plan from time to time and the Grant Dates of such Restricted Share Units. Such records shall be conclusive as to all matters involved in the administration of this Plan.

### **5.4      *Statements***

The Corporation shall furnish annual statements to each Eligible Person indicating the number of Restricted Share Units credited to the Eligible Person and the Grant Dates of the Restricted Share Units and such other information that the Corporation considers relevant to the Eligible Person.

### **5.5      *Legal Compliance***

Without limiting the generality of the foregoing, the Committee may take such steps and require such documentation from Eligible Persons as the Committee may determine are desirable to ensure compliance with all applicable laws and legal requirements, including all applicable corporate and securities laws and regulations of any country, and any political subdivisions thereof, and the by-laws, rules and regulations of any stock exchanges or other organized market on which Common Shares may from time to time be listed or posted and any applicable provisions of the *Income Tax Act* (Canada), as amended or income tax legislation or any other jurisdiction and an Eligible Person resident in the United Kingdom will, if requested to do so by the Committee, enter into a joint election with the Corporation or other company by which the Eligible Person is employed, under section 431(1) or 431(2) of the United Kingdom Income Tax (Earnings and Pensions) Act 2003 in relation to any Common Shares issued under the Plan before or within 14 days after the date of issue.

**ARTICLE 6  
AMENDMENT AND TERMINATION**

**6.1 Amendment**

- (a) The Board reserves the right, in its sole discretion, to amend, suspend or terminate the Plan or any portion thereof at any time, in accordance with applicable legislation, provided that no such amendment, suspension or termination may (i) be made without obtaining any required regulatory or shareholder approvals, or (ii) adversely affect the rights of any Eligible Person with respect to the Restricted Share Units to which the Eligible Person is then entitled under the Plan without the consent of the Eligible Person. Notwithstanding the foregoing, the Corporation will be required to obtain shareholder approval or, if required under the TSXV Policies, Disinterested Shareholder and Exchange approval, for any amendment related to:
- (i) increasing the number or percentage of issued and outstanding Common Shares available for grant under the Plan;
  - (ii) a change in the method of calculation of redemption of Restricted Share Units held by Eligible Persons;
  - (iii) an extension to the term for redemption of Restricted Share Units held by Eligible Persons;
  - (iv) permitting the Restricted Share Units granted under this Plan to be transferrable or assignable other than for normal estate settlement purposes; and
  - (v) amending this Section 6.1.
- (b) Unless an Eligible Person otherwise agrees, any amendment to the Plan or Restricted Share Unit shall apply only in respect of Restricted Share Units granted on or after the date of such amendment.
- (c) Without limiting the generality of the foregoing, the Board may make the following amendments to the Plan, without obtaining shareholder approval:
- (i) amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including the rules of the Exchange, in place from time to time;
  - (ii) amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;
  - (iii) amendments to the provisions of the Plan respecting the terms and conditions on which Restricted Share Units may be granted pursuant to the Plan, including the provisions relating to the payment of the Restricted Share Units;
  - (iv) amendments to the Plan that are of a “housekeeping” nature; and
  - (v) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or applicable rules of the Exchange,

provided, however, that no such amendment of the Plan may be made without the consent of each affected Eligible Person in the Plan if such amendment would adversely affect the rights of such affected Eligible Person(s) under the Plan.

## **6.2 Termination of the Plan**

The Board may from time to time amend or suspend this Plan in whole or in part and may at any time terminate this Plan. No such amendment, suspension or termination shall adversely affect the rights of any Eligible Person at the time of such amendment, suspension or termination with respect to outstanding and unredeemed Restricted Share Units credited to such Eligible Person without the consent of the affected Eligible Person. If the Board terminates the Plan, no new Restricted Share Units will be awarded to any Eligible Person, but outstanding and unredeemed previously credited Restricted Share Units shall remain outstanding, be entitled to payments as provided under Section 3.5, and be paid in accordance with the terms and conditions of this Plan existing at the time of termination. This Plan will finally cease to operate for all purposes when the last remaining Eligible Person receives a payment in satisfaction of all outstanding and unredeemed Restricted Share Units credited to such Eligible Person, or all outstanding and unredeemed Restricted Share Units credited to such Eligible Person are cancelled pursuant to the provisions thereof.

## **ARTICLE 7 GENERAL**

### **7.1 Rights to Common Shares**

This Plan shall not be interpreted to create any entitlement of any Eligible Person to any Common Shares, or to the dividends payable pursuant thereto, except as expressly provided herein. Subject to Section 3.5, a holder of Restricted Share Units shall not have rights as a shareholder of the Corporation with respect to any Common Shares which may be issuable pursuant to the Restricted Share Units so held, whether voting, right on liquidation or otherwise.

### **7.2 No Right to Employment or Compensation**

This Plan shall not be interpreted as either an employment or trust agreement or as forming part of either. Nothing in this Plan nor any Committee guidelines or any agreement referred to in Section 2.5 nor any action taken hereunder shall be construed as giving any Eligible Person the right to be retained in the continued employ or service of the Corporation or applicable Subsidiary, or giving any Eligible Person or any other person the right to receive any benefits not specifically expressly provided in this Plan nor shall it interfere in any way with any other right of the Corporation or applicable Subsidiary to terminate the employment or service of any Eligible Person at any time. If, on termination of the Eligible Person's employment, the Eligible Person loses any of the rights or benefits under the Plan or any related documents (including without limitation, pursuant to the exercise of any discretion), they shall not be entitled to compensation, whether for loss of employment or otherwise, for the loss of any rights or benefits under such Plan or such related documents.

### **7.3 Right to Funds**

Neither the establishment of this Plan nor the granting of Restricted Share Units under this Plan shall be deemed to create a trust. Amounts payable to any Eligible Person under the Plan shall be a general, unsecured obligation of the Corporation. The right of the Employees to receive payment pursuant to this Plan shall be no greater than the right of other unsecured creditors of the Corporation.

As amended by the Board of Directors on August 19, 2022, subject to receipt of shareholder approval.



**APPENDIX “D”**  
**MKANGO RESOURCES LTD.**  
**AUDIT COMMITTEE CHARTER**

**Role and Objective**

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Mkango Resources Ltd. (“**Mkango**” or the “**Corporation**”) to which the Board has delegated its responsibility for the oversight of the nature and scope of the annual audit, the oversight of management’s reporting on internal accounting standards and practices, the review (and challenge, where necessary) of financial information, accounting systems and procedures, financial reporting and financial statements and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. to assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of Mkango, including its annual and half year reports, interim management statements and preliminary results announcements and any other formal announcements relating to its financial performance, reviewing significant financial reporting issues and judgements and any other related matters;
2. to provide better communication between directors and external auditors;
3. to communicate directly with the external auditors;
4. to enhance the external auditor’s independence;
5. to increase the credibility and objectivity of financial reports; and
6. to strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

**Membership of Committee**

1. The Committee will be comprised of at least three (3) directors of Mkango or such greater number as the Board may determine from time to time and each member of the Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities (in particular, as the terms independent and financially literate are used in Multilateral Instrument 52-110 Audit Committees (“MI 52-110”) unless the Board determines that the exemption contained in MI 52-110 is available and determines to rely thereon.)
2. The board of directors may from time to time designate one of the members of the Committee to be the Chair of the Committee. The Board shall determine whether and how many members of the Committee qualify as financially literate as defined by applicable law.
3. Appointments to the Committee shall be for a period of up to three years, which may be extended by additional periods of up to three years, provided the members continue to remain independent.
4. If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting on such matter.

**Mandate and Responsibilities of Committee**

It is the responsibility of the Committee to:

1. To review and update the charter at least annually.
2. Oversee the work of the external auditors, including the resolution of any disagreements between management and the external auditors regarding financial reporting.
3. Satisfy itself on behalf of the Board with respect to the adequacy of Mkango’s internal control systems.

4. Review the annual and interim financial statements of Mkango and related management's discussion and analysis ("MD&A") prior to their submission to the Board for approval. The process should include but not be limited to:
  - reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
  - reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
  - reviewing accounting treatment of unusual or non-recurring transactions;
  - ascertaining compliance with covenants under loan agreements;
  - reviewing disclosure requirements for commitments and contingencies;
  - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
  - reviewing unresolved differences between management and the external auditors; and
  - obtaining explanations of significant variances with comparative reporting periods.
5. Review the financial statements, prospectuses, MD&A, annual information forms ("AIF") (as applicable) and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Mkango's disclosure of all other financial information and will periodically assess the accuracy of those procedures.
6. With respect to the appointment of external auditors by the Board:
  - recommend to the Board the external auditors to be nominated;
  - recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;
  - on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
  - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
  - review and pre-approve any non-audit services to be provided to Mkango or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time;
  - review the performance of the external auditors annually or more frequently as required; and
  - ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and oversee the selection process and further ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process.
7. Review with external auditors (and internal auditor if one is appointed by Mkango) their assessment of the internal controls of Mkango, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Mkango and its subsidiaries.

8. Give due consideration to applicable laws and regulations, the provisions of the UK Corporate Governance Code, the QCA Corporate Governance Guidelines for Small and Mid Sized Quoted Companies, NAPF Corporate Governance Policy & Voting Guidelines for Smaller Companies and the requirements of the London Stock Exchange's rules for AIM companies as appropriate.
9. Review risk management policies and procedures of Mkango (i.e. hedging, litigation and insurance).
10. Establish a procedure for:
  - the receipt, retention and treatment of complaints received by Mkango regarding accounting, internal accounting controls or auditing matters; and
  - the confidential, anonymous submission by employees of Mkango of concerns regarding questionable accounting or auditing matters and keep the said procedures under review, ensuring that that it allows proportionate and independent investigation of such matters and appropriate follow up action.
11. Review and approve Mkango's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of Mkango.
12. Review Mkango's procedures for detecting fraud.
13. Review Mkango's systems and controls for the prevention of bribery and receive reports on non-compliance.

Not only does the Committee have the authority to communicate directly with the external auditors of the Corporation, but the Corporation requires the external auditors to report directly to the Committee. The Committee will also have the authority to investigate any financial activity of Mkango. All employees of Mkango are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Mkango without any further approval of the Board.

#### **Meetings and Administrative Matters**

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least four times per year (quarterly). Minutes of all meetings of the Committee will be taken. The President and Chief Executive Officer, Chief Operating Officer and Chief Financial Officer will if invited to do so by the Committee attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.
5. The Committee will meet with the external auditors at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditors and the Committee consider appropriate. At least once per year, the Committee should meet with the external auditors in the absence of management to determine, inter alia, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee.
6. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
7. The Committee may invite such officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.

8. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the chairman of the Board by the Chair.