



NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 30, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

# ALMONTY INDUSTRIES INC.

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 30, 2022

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting of the holders of common shares (the “**Shares**”, and holders thereof, the “**Shareholders**”) of Almonty Industries Inc. (the “**Company**”) will be held in the **North Boardroom** at the offices of **Suite 300 – 1055 W. Hastings Street, Vancouver, BC** on Thursday, June 30, 2022, at 10:00 a.m. PST (Vancouver time) (together with any adjournment or postponement thereof, the “**Meeting**”).

The following business of the Company will be transacted at the Meeting:

1. to receive and consider the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2021, together with the auditor’s report thereon;
2. to set the number of directors and to elect directors to serve for the ensuing year;
3. to confirm the appointment of the auditor of the Company by the board of directors and to appoint the auditor of the Company for the ensuing year and to authorize the board of directors of the Company to fix such auditor’s remuneration;
4. to consider, and if thought fit, to pass a resolution approving unallocated options under the Company’s Stock Option Plan until June 30, 2025, as more particularly described in the Management Information Circular (the “**Circular**”) accompanying this Notice of Meeting;
5. to consider, and if thought fit, to approve by ordinary resolution certain amendments to the Company’s By-Laws, as more particularly described in the Circular accompanying this Notice of Meeting; and
6. to transact such other business as may properly come before the Meeting.

This notice is accompanied by the Circular and a form of proxy, which together provide additional information relating to the matters to be dealt with at the Meeting.

The record date for determination of Shareholders entitled to receive notice of and to vote at the Meeting was the close of business on May 26, 2022, (the “**Record Date**”). Only Shareholders whose names were entered in the register of holders of Shares on the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting.

Registered Shareholders are entitled to vote at the Meeting either in person or by proxy. Regardless of whether a Shareholder plans to attend the Meeting in person, please complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular. To be valid, such proxies must be deposited with the Company’s transfer agent, Computershare Investor Services Inc., not later than 48 hours prior to the commencement of the Meeting, excluding Saturdays, Sundays and holidays.

All non-registered Shareholders who plan to attend the Meeting must follow the instructions set out in the voting instruction form and in the Circular to ensure that such Shareholders’ Shares will be voted at the Meeting. If you hold your Shares in a brokerage account, you are not a registered Shareholder.

### BY ORDER OF THE BOARD OF DIRECTORS

Toronto, Ontario  
May 26, 2022

*(signed) “Lewis Black”*

Lewis Black  
Chairman of the Board of Directors, President and Chief Executive Officer

# ALMONTY INDUSTRIES INC. MANAGEMENT INFORMATION CIRCULAR

## FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 30, 2022

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Almonty Industries Inc. (the “Company”), a corporation governed by the *Canada Business Corporations Act* (the “CBCA”), for use at the Annual General and Special Meeting of the holders of common shares of the Company (the “Shares”, and holders thereof, the “Shareholders”) to be held in the **North Boardroom** at the offices of **Suite 300 – 1055 W. Hastings Street, Vancouver, BC** on Thursday, June 30, 2022, at 10:00 a.m. PST (Vancouver time) (together with any adjournment or postponement thereof, the “Meeting”) for the purposes set out in the accompanying notice of Meeting (the “Notice of Meeting”).

Information contained in this Circular is given as at May 26, 2022, and all dollar amounts are stated in Canadian dollars, unless otherwise indicated.

### GENERAL PROXY INFORMATION

#### A. SOLICITATION OF PROXIES

The accompanying proxy is being solicited by or on behalf of the management of the Company and the cost of such solicitation will be borne by the Company. It is expected that the solicitation of proxies will be primarily by mail, though proxies may also be solicited, without special compensation, in person or by telephone, fax, email, or other means of communication by directors, officers or regular employees of the Company. The Company may pay investment dealers or other persons holding Shares in their own names or in the names of nominees (collectively, “intermediaries”) for their reasonable expenses incurred in sending this Circular and the accompanying Notice of Meeting and form of proxy or a voting instruction form, to non-registered, beneficial owners of Shares.

This Circular, together with the accompanying Notice of Meeting and form of proxy, is being sent to both Registered Shareholders (as hereinafter defined) and Beneficial Shareholders (as hereinafter defined). If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary who holds your Shares on your behalf.

#### B. HOW TO VOTE YOUR SHARES

##### *Registered Shareholders*

A registered Shareholder (“Registered Shareholder”) is a Shareholder whose share certificate bears the name of that Shareholder. Registered Shareholders are entitled to vote their Shares in person at the Meeting or by proxy, and such Shareholders may be able to vote their proxies over the internet, by telephone or by mail in accordance with the instructions set out in the accompanying form of proxy.

If you are a Registered Shareholder and wish to vote in person at the Meeting, you should not complete or return the accompanying form of proxy, as your vote will be taken and counted at the Meeting. Shareholders wishing to vote in person must register their attendance with the scrutineer upon arrival at the Meeting.

If you are a Registered Shareholder and do not wish to attend the Meeting or to vote in person, you may vote by proxy by properly completing, signing and depositing the accompanying form of proxy with the Company’s transfer agent, Computershare Investor Services Inc. (the “Transfer Agent”). Registered Shareholders who elect to submit a proxy may do so online at [www.investorvote.com](http://www.investorvote.com), by telephone at 1-866-732-VOTE (8683) (for Shareholders

within North America) or 1-312-588-4290 (for Shareholders outside North America), or by mail to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, in all cases in accordance with the instructions provided by the Transfer Agent in the accompanying form of proxy and ensuring that the proxy is received not later than 48 hours prior to the commencement of the Meeting, excluding Saturdays, Sundays and holidays.

### ***Beneficial Shareholders***

If your Shares are registered in the name of an intermediary, rather than in your own name, you are a beneficial Shareholder (a “**Beneficial Shareholder**”). Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Shares) or as set out in the following disclosure.

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

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: those who object to their name being made known to the issuers of securities which they own (referred to as “**OBOs**” for objecting beneficial owners) and those who do not object to the issuers of the securities they own knowing who they are (referred to as “**NOBOs**” for non-objecting beneficial owners).

### **Non-Objecting Beneficial Owners**

The Company is taking advantage of those provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (the “**CSA**”), which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”). These VIFs are to be completed and returned to the Transfer Agent online at [www.investorvote.com](http://www.investorvote.com), by telephone at 1-866-734-VOTE (8683) (for Shareholders within North America) or 1-312-588-4291 (for Shareholders outside North America), or by mail to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, in all cases in accordance with the instructions provided in the VIF. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs it receives.

By choosing to send these materials to you directly, the Company (and not the intermediary holding your Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions that you receive.

NOBOs who wish to attend and vote in person at the Meeting must insert their own name in the space provided on the VIF to appoint the NOBO (or the name of another person the NOBO wishes to attend the Meeting and vote on the NOBOs behalf) as proxy holder and otherwise follow the instructions on the VIF. Beneficial Shareholders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of the Transfer Agent. Beneficial Shareholders wishing to attend and vote in person at the Meeting should not otherwise complete the VIF.

### Objecting Beneficial Owners

Management of the Company does not intend to pay for intermediaries to deliver proxy-related materials to OBOs under NI 54-101. OBOs will not receive the proxy-related materials in respect of the Meeting unless the intermediary holding shares on behalf of the OBO assumes the cost of delivery.

Beneficial Shareholders who are OBOs and receive proxy-related materials in respect of the Meeting from their intermediaries should carefully follow the instructions of their broker or intermediary in order to ensure that their Shares are voted at the Meeting.

The form of proxy that will be supplied by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary how to vote your Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge will mail a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's proxy to represent your Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder) other than any of the persons designated in the VIF to represent your Shares at the Meeting and that person may be you. To exercise this right, you should insert the name of your desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting and the appointment of any Shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Shares voted at the Meeting, or to have an alternative representative duly appointed to attend and to vote your Shares at the Meeting.**

### *Voting by Proxyholder*

If voting instructions are given on your form of proxy or request for voting instructions, then your proxyholder must vote, or withhold from voting, your Shares in accordance with your instructions. If no voting instructions are given, then your proxyholder may vote your Shares or withhold from voting as he, she or it sees fit. **If you appoint the proxyholders named on the accompanying form of proxy, and do not provide instructions as to how they should vote your Shares, your Shares will be voted "FOR" each of the matters set out in the form of proxy.**

As of the date of this Circular, none of the directors or officers of the Company are aware of any amendments or variations to the matters set out in the Notice of Meeting, nor of any other matter to be presented at the Meeting. However, if any amendment, variation or other business is properly brought before the Meeting, the accompanying form of proxy confers discretion on the persons named thereon to vote on any amendment or variation of the matters set out in the Notice of Meeting or any such other business in accordance with their best judgment.

### **C. APPOINTMENT OF PROXYHOLDER**

The persons named in the form of proxy accompanying this Circular have been selected by the board of directors of the Company (the "**Board**") and have indicated their willingness to represent as proxyholders the Shareholders who appoint them. **A Shareholder has the right to appoint as his, her or its proxyholder a person or company (who need not be a Shareholder) other than the persons designated in the accompanying form of proxy to attend and act on that Shareholder's behalf at the Meeting.** As a Shareholder, you may exercise this right by inserting the name of such person or company in the blank space provided in the form of proxy and striking out the other names or by properly completing and signing another proper form of proxy and, in either case, depositing such form of proxy with the Transfer Agent at the location and within the time limits set out above.

If you appoint some other person to represent you, it is your responsibility as a Shareholder to inform that other person or company that he, she or it has been so appointed and to ensure that your proxy has been signed by you or your attorney authorized in writing (or, if the Shareholder is a corporation, under its corporate seal and signed by a director, officer or attorney thereof, duly authorized).

## D. REVOCATION OF PROXIES

If you are a Registered Shareholder and you have submitted a proxy and later wish to revoke it, you can do so by:

- (a) completing and signing a form of proxy bearing a later date and depositing it with the Transfer Agent at the location and within the time limits set out above;
- (b) depositing an instrument in writing signed by you or your attorney authorized in writing (or, for Shareholders that are corporations, under such Shareholder's corporate seal and signed by a director, officer or attorney thereof, duly authorized), with either: (i) the Transfer Agent, at the address noted above, or at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or (ii) the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting; or
- (c) following any other manner permitted by law.

Any Registered Shareholder attending the Meeting has the right to vote in person and, if you, as a Registered Shareholder, elect to do so, your proxy will be nullified with respect to any matters upon which you vote, and in respect of any subsequent matters to be voted upon at the Meeting.

Beneficial Shareholders should note that **only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must make appropriate arrangements with their respective intermediaries.** Beneficial Shareholders should also be aware that intermediaries may set deadlines earlier than those set out in this Circular or otherwise for the receipt of requests for voting instructions or proxies from Beneficial Shareholders, and are not required to act on any revocation that is not received by the intermediary prior to the deadlines set by that intermediary. As such, Beneficial Shareholders who wish to revoke their voting instruction form or proxy and to vote should contact their intermediary as soon as possible, and in any event well in advance of the Meeting.

## E. NOTICE TO SHAREHOLDERS IN THE UNITED STATES

This solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and the securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is governed by the CBCA, certain of its directors and officers are residents of Canada and countries other than the United States, and all of the assets of the Company and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

### A. DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Shares. As of the close of business on May 26, 2022, there were 213,486,376 Shares issued and outstanding. Each Share carries the right to one vote. The Shares are the only class of securities entitled to vote at the Meeting. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares. As of the date hereof, the Shares are listed for trading on the Toronto Stock Exchange (the "Exchange") under the symbol "AII".

## B. QUORUM

The quorum necessary for the Meeting is the holders of 25% of the Shares being present in person or represented by proxy, provided that a quorum shall not be less than two persons. A quorum need not be present throughout the Meeting provided that a quorum is present at the opening of the Meeting.

## C. RECORD DATE

The Board has fixed May 26, 2022, as the record date (the “**Record Date**”) for determining those Shareholders entitled to receive notice of, and vote at, the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

## D. OWNERSHIP OF SHARES

To the knowledge of the directors and officers of the Company, the only persons or companies that beneficially owned, directly or indirectly, or exercised control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company as at May 26, 2022, are:

Name of Shareholder	Type of Ownership	Number of Shares Controlled	Percentage of Issued Shares <sup>(4)</sup>
Lewis Black <sup>(1)</sup>	Direct and Indirect	24,926,815	11.67%
Global Tungsten & Powders Corp. <sup>(2)</sup>	Direct	38,149,556	17.86%
Deutsche Rohstoff AG <sup>(3)</sup>	Direct	28,253,419	13.23%

Notes:

- (1) Lewis Black is the registered holder of 11,032,895 Shares. In addition, Lewis Black, together with Daniel D’Amato, have direction and control over shareholdings of Almonty Partners LLC, which is a privately held investment company specializing in tungsten mining investments. Almonty Partners LLC is the registered holder of 13,893,920 Shares.
- (2) Global Tungsten & Powders Corp. develops, manufactures and markets refractory metal powders and specialty products such as semi-finished parts for the aerospace and defense industry.
- (3) Deutsche Rohstoff AG is a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe. Thomas Gutschlag, a director of the Company, is the Chief Executive Officer of Deutsche Rohstoff AG.
- (4) Based on 213,486,376 Shares outstanding as at the date hereof.

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

Except as otherwise disclosed herein, no director or officer of the Company, nor any person who has held such a position since the beginning of the most recently completed fiscal year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, all as set out herein.

## BUSINESS TO BE CONDUCTED AT THE MEETING

### A. PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal year ended December 31, 2021, together with the auditor’s report thereon, have been approved by the Board. A copy of the financial statements is available for review on [www.sedar.com](http://www.sedar.com). No vote of the Shareholders is required with respect to this item of business.

### B. ELECTION OF DIRECTORS

The term of office for each of the present directors of the Company expires at the Meeting. It is proposed that the number of directors for the ensuing year be fixed at six, subject to such increases or decreases as may be permitted

by the By-Laws of the Company. At the Meeting, the Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution fixing the number of directors to be elected at the Meeting at six. **Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted “FOR” fixing the number of directors for the ensuing year at six.**

It is proposed that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed pursuant to the Articles of the Company, unless his office is earlier vacated in accordance with the Articles of the Company and the provisions of the CBCA.

**Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted “FOR” the election of each of the nominees named below (the “Management Nominees”).** If any of the Management Nominees should, for any reason, become unable to serve as a director of the Company prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their sole discretion.

The following disclosure sets out (i) the names of the six Management Nominees, (ii) their major offices and positions with the Company (if any), (iii) their place of residence, (iv) the committees of the Board on which each currently sits (if any), (v) the period of time during which each has been a director of the Company, (vi) their principal occupation, business or employment for the preceding five years, (vii) the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by each as at May 26, 2022.

Name, residence, office(s) held and date first became a director	Principal occupation, business or employment	Shares beneficially owned, or controlled or directed, directly or indirectly <sup>(1)</sup>
<p><b>Lewis Black</b> Paris, France Chairman, President and Chief Executive Officer Director since September 23, 2011</p>	<p>Mr. Black is currently the President and Chief Executive Officer of the Company. He is also currently a partner of Almonty Partners LLC, a privately held company specializing in tungsten mining investments.</p> <p>Mr. Black previously served as Chairman and Chief Executive Officer of Primary Metals Inc., a tungsten mining company formerly listed on the TSX Venture Exchange, from 2005 to 2007. Prior to that he was head of sales and marketing for SC Mining Tungsten Thailand. Mr. Black holds a B.A. (Honours) from Manchester University and is a former Vice President of the International Tungsten Industry Association.</p>	24,926,815 <sup>(2)(3)</sup>
<p><b>Michael Costa</b> Toronto, Ontario, Canada Director Audit Committee Director since February 1, 2018</p>	<p>Mr Costa is the CEO and a director of Base Carbon Inc. Base Carbon is in the business of providing capital, development expertise and management operating resources to projects involved primarily in voluntary carbon markets and the broader global ESG economy. Prior to Base Carbon, Mr. Costa served as an Executive and Head Portfolio Manager at CMP Funds (Dundee Corporation), UBS Canada Principal Investing, and Goldman Sachs Canada Special Situation Group. Mr Costa graduated cum laude with honours in Economics from Colgate University.</p>	Nil



Name, residence, office(s) held and date first became a director	Principal occupation, business or employment	Shares beneficially owned, or controlled or directed, directly or indirectly <sup>(1)</sup>
<p><b>Daniel D'Amato</b> Paris, France Director Compensation and Corporate Governance Committee Director since September 23, 2011</p>	<p>Mr. D'Amato is currently a partner of Almonty Partners LLC, a privately held company specializing in tungsten mining investments. He has held this position since 2005.</p> <p>Mr. D'Amato previously served on the board of directors of Primary Metals Inc., a tungsten mining company formerly listed on the TSX Venture Exchange, from 2005 to 2007. He began his career on Wall Street with Bear Stearns where over nearly a decade he became Managing Director. Mr. D'Amato holds a B.Sc. from Siena College and holds several securities and insurance licenses.</p>	15,966,220 <sup>(2)(4)</sup>
<p><b>Dr. Thomas Gutschlag</b> Mannheim, Germany Director Audit Committee Compensation and Corporate Governance Committee Director since September 15, 2015</p>	<p>Dr. Gutschlag is currently the Chairman and Chief Executive Officer of DRAG, a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe, with a focus on the development of oil and gas opportunities within the United States, as well as metals such as gold, copper, rare earth elements, tungsten and tin. Dr. Gutschlag co-founded DRAG in 2006 and has been its Chief Executive Officer since January 1, 2015 and, prior thereto, its Chief Financial Officer.</p> <p>Dr. Gutschlag is a qualified economist with a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim.</p>	28,253,419 <sup>(5)(6)</sup>
<p><b>Mark Trachuk</b> Toronto, Ontario, Canada Director Audit Committee (Chair) Compensation and Corporate Governance Committee (Chair) Director since September 23, 2011</p>	<p>Mr. Trachuk is a corporate director. Mr. Trachuk was previously the General Counsel and Corporate Secretary of Entertainment One Ltd. which is a global entertainment studio that specializes in the development, acquisition, production, financing, distribution and sales of entertainment content. Entertainment One was listed on the Premium List of the London Stock Exchange (LSE:ETO) and was a member of the FTSE 250 prior to being acquired by Hasbro Inc. in December 2019. Prior to joining Entertainment One, Mr. Trachuk was a Senior Partner in the Business Law Group at Osler, Hoskin &amp; Harcourt LLP in Toronto where he practiced corporate and securities law with an emphasis on mergers, acquisitions and strategic alliances. Mr. Trachuk has chaired Osler's International Practice Group, Corporate Practice Group and Corporate Finance Practice Group.</p> <p>Mr. Trachuk holds a B.A. in Economics from Carleton University, an LL.B. from the University of Ottawa and an LL.M. from the London School of Economics. He also holds the ICD.D designation from the Institute of Corporate Directors. Mr. Trachuk is called to the bar in Ontario and British Columbia and is a solicitor in England and Wales.</p>	860,000
<p><b>Andrew Frazer</b> Dalkeith, WA, Australia Director Director since May 28, 2021</p>	<p>Andrew Frazer has over 30 years of capital markets experience and is the founder and managing director of Lazarus Corporate Finance Pty Ltd. Mr. Frazer was a consultant at Azure Capital and previously was a stockbroker with Hartley Poynton, Patersons Securities and Morgan Stanley.</p> <p>Mr. Frazer graduated from the University of Western Australia with a Bachelor of Commerce – Honours, Bachelor of Jurisprudence and a Bachelor of Laws. Andrew also has obtained his CFA Charter, along with a Diploma from the Securities Institute of the Australian Stock Exchange.</p>	Nil

Notes:

- (1) The number of shares beneficially owned, or controlled or directed, directly or indirectly, by each Management Nominee is based on information furnished by the nominees and from insider reports available under the Company's profile on SEDI at www.sedi.ca.
- (2) Almonty Partners LLC, a privately-held company specializing in tungsten mining investments, holds 13,893,920 Common Shares or approximately 6.51% of the issued and outstanding Common Shares as of the date hereof. Lewis Black and Daniel D'Amato are each partners of Almonty Partners LLC.
- (3) Lewis Black is the holder of 11,032,895 Shares.
- (4) Daniel D'Amato is the holder of 2,072,300 Shares.
- (5) Dr. Gutschlag is the CEO of DRAG. DRAG owns 28,253,419 Common shares and holds convertible debentures in Almonty that, if converted, would result in an additional 7,322,644 Common Shares being issued to DRAG. Dr. Gutschlag also owns 950,000 Common Shares directly and 42,500 indirectly through Kooiker Investment GmbH.

Each of the Management Nominees are, in the opinion of management, qualified to direct the activities of the Company until the next annual meeting of Shareholders and all nominees have indicated their willingness to stand for election.

### ***Majority Voting for Election of Directors***

The Board has adopted a "majority voting" policy, pursuant to which if a nominee for election as director does not receive a greater number of votes "for" than votes "withheld" at a meeting of shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of shareholders at which the director was elected. Upon receiving such offer of resignation, the Compensation and Corporate Governance Committee will consider such offer and make a recommendation to the Board as to whether or not to accept it. Notwithstanding the foregoing, the Board shall accept the offer of resignation absent exceptional circumstances.

The Board will determine whether or not to accept the resignation within 90 days following the meeting of shareholders. The Company will announce the decision of the Board in a press release with respect to whether the Board has decided to accept such director's resignation. If the Board determines not to accept the resignation, the press release will state the reasons for that decision.

The director who tendered such resignation will not be part of any deliberations of any Board committee (including the Compensation and Corporate Governance Committee if such director is a member thereof) or the Board pertaining to the resignation offer.

The "majority voting" policy only applies in circumstances involving an uncontested election of directors. For the purposes of the policy, an "uncontested election of directors" means that the number of nominees for election as a director is not more than the number of directors proposed to be elected to the Board.

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

To the Company's knowledge, none of the Management Nominees:

- (a) is, as at the date of this Circular, nor has been within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, nor has been within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal

under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (c) has, within ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold any of their respective assets.

To the Company's knowledge, none of the Management Nominees has:

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

### C. APPOINTMENT OF AUDITORS

Effective October 1, 2021, Davidson & Company LLP, Chartered Professional Accountants, ("**Davidson**") resigned as auditors of the Company, and the Board of Directors resolved to appoint Zeifmans LLP, Chartered Professional Accountants as auditors in their stead. Zeifmans LLP will be nominated at the Meeting for re-appointment as auditor of the Company until the close of the following Annual General Meeting of the Company at a remuneration to be fixed by the directors.

There have been no reportable disagreements between the Company and Davidson, and no qualified opinions or denials of opinions by Davidson, for the purposes of National Policy 51-102. A copy of the reporting package required by National Instrument 51-102, Continuous Disclosure Obligations – Change of Auditor, is attached to this information circular as Schedule "B".

Shareholders are being asked to confirm the appointment of Zeifmans LLP, Chartered Professional Accountants and to re-appoint Zeifmans LLP, Chartered Professional Accountants as auditor of the Company to hold office until the next annual meeting of Shareholders. **Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted "FOR" the appointment of Zeifmans LLP as auditor of the Company to hold office until the close of the next annual meeting of Shareholders, at a remuneration to be fixed by the Board.**

### D. APPROVAL OF UNALLOCATED OPTIONS UNDER THE COMPANY'S STOCK OPTION PLAN

The Company has established the Stock Option Plan to provide long-term incentives to eligible directors, officers, employees and consultants, which Stock Option Plan was approved by shareholders on March 28, 2019. The rules of the Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought appropriate, ratify and approve by ordinary resolution the unallocated options under the Stock Option Plan.

The maximum number of Common Shares that may be issued under the Stock Option Plan, collectively with its RSU Plan, as more particularly described herein (collectively the "Security-Based Compensation Arrangements") shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time. As at December 31, 2021, there were 207,704,554 common shares issued and outstanding. Accordingly, there were 20,770,455 Common Shares available for grant under the Security-Based Compensation Arrangements as of December 31, 2021 representing 10% of the issued and outstanding Common Shares. As of the date of this Circular,

there are 21,348,637 Common Shares available for grant under the Security-Based Compensation Arrangements, representing 10% of the issued and outstanding Common Shares.

As of December 31, 2021, the Company had 8,875,000 stock options (“Options”) outstanding and 1,000,000 RSUs outstanding, which represented 4.3% and 0.4% respectively, and 4.8% collectively, of the issued and outstanding Common Shares. As of December 31, 2021, a total of 10,895,455 common shares remained available for grant or 5.2%. As at the date of this Circular, the Company has 8,375,000 stock options outstanding and 1,000,000 RSUs outstanding, which represent 3.92% and 0.47% respectively, and 4.39% collectively, of the issued and outstanding Common Shares.

A copy of the Stock Option Plan is attached hereto as Schedule “C”.

### ***Resolution for the Approval of Unallocated Options under the Stock Option Plan***

The text of the resolution relating to the approval of unallocated options under the Stock Option Plan that the Company intends to place before the Meeting, with or without modification, is substantially as follows:

#### **IT IS RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. all unallocated options under the Stock Option Plan be and are hereby approved;
2. the Company shall have the ability to continue granting options under the Stock Option Plan until June 30, 2025, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary or desirable in order to give full effect to the intent and purpose of this resolution.”

To be effective, the unallocated options under the Stock Option Plan must be approved by the majority of the votes cast on the resolution by Shareholders, present in person or by proxy at the Meeting.

**Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Company will be voted “FOR” the authorization and approval of the unallocated options under the Stock Option Plan.**

#### **D. AMENDMENT TO THE COMPANY’S BY-LAWS**

The Board has determined that it would be in the best interests of the Company to implement certain amendments to its By-Laws (collectively, the “**By-Law Amendments**”). In particular, the Company has adopted an amendment to its By-Laws to provide the Chairman with a second or casting vote in the case of an equality of votes at a meeting of the board of directors. The Company is seeking approval to the proposed By-Law Amendments to provide for a decision making mechanism in the event of an equality of votes on any item of business before a meeting of the board of directors.

The full text of the By-Law Amendments are set forth in the blackline copy of the By-Laws, attached as Schedule “D” to this Circular.

The text of the resolution relating to the approval of the By-Law Amendments that the Company intends to place before the Meeting, with or without modification, is substantially as follows:

**IT IS RESOLVED AS AN ORDINARY RESOLUTION THAT** the amendments to By-Law No. 1 of the Corporation set forth in the blackline copy of the By-Laws attached to this Circular as Schedule “D”, are hereby ratified, confirmed, consented to and approved.

## E. OTHER BUSINESS

As of the date of this Circular, none of the directors or officers of the Company are aware of any amendments or variations to the matters set out in the Notice of Meeting, nor of any other matter to be presented at the Meeting. However, if any amendment, variation or other business is properly brought before the Meeting, the accompanying form of proxy confers discretion on the persons named therein to vote on any amendment or variation of the matters set out in the Notice of Meeting or any such other business in accordance with their best judgment.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER SECURITY-BASED COMPENSATION ARRANGEMENTS**

The following table sets forth as of December 31, 2021 the number of securities issuable upon exercise of outstanding Options, rights and other entitlements, the weighted exercise price of such outstanding Options, rights and other entitlements and the number of securities remaining available for future issuance under all Security-Based Compensation Arrangements previously approved by the Shareholders.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (\$)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)</b>
Equity compensation plans approved by securityholders	9,875,000	\$0.70	10,895,455

### **EXECUTIVE COMPENSATION**

#### **A. COMPENSATION DISCUSSION AND ANALYSIS**

The purpose of this compensation discussion and analysis portion of the Circular is to provide information about the Company's executive compensation philosophy, objectives and processes and to discuss compensation decisions relating to the Company's executive officers, including its "named executive officers". Pursuant to applicable securities regulations, a "named executive officer" means (a) the Chief Executive Officer, (b) the Chief Financial, (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year, and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

For the most recently completed fiscal year ended December 31, 2021, the only named executive officers of the Company were Lewis Black, Chief Executive Officer and Mark Gelmon, Chief Financial Officer (together, the "Named Executive Officers").

#### ***Compensation Governance***

##### **Compensation and Corporate Governance Committee**

The Board has established the CCG Committee to assist the Board in fulfilling its oversight responsibilities in relation to, among other things, executive compensation, Board compensation, broadly applicable compensation and benefit programs, and performance reviews of the Board, its committees and individual directors. The CCG

Committee is currently comprised of Daniel D’Amato, Thomas Gutschlag, and Mark Trachuk (Chair), all of whom have been determined by the Board to be independent under section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), other than Mr. D’Amato by virtue of \$187,720 received by him in consulting fees for the most recently completed fiscal year ended December 31, 2021. All members of the CCG Committee have experience in matters of executive compensation that is relevant to their responsibilities as members of such committee by virtue of their respective professions and long-standing involvement with public companies.<sup>1</sup> In addition, each member of the CCG Committee strives to keep abreast of trends and developments affecting executive compensation.

The Board has a written charter for the CCG Committee outlining its role and objectives, composition, meeting requirements and responsibilities. Pursuant to such charter, the specific duties and responsibilities of the CCG Committee include:

- (a) reviewing and recommending to the Board the compensation and benefits policies and plans (including incentive compensation plans) for the Company and its subsidiaries;
- (b) annually evaluating the performance of the Chief Executive Officer of the Company and recommending to the Board his or her annual compensation package;
- (c) annually reviewing and recommending to the Board the compensation packages for the other executive officers of the Company;
- (d) reviewing and recommending to the Board any employment agreements with executive officers of the Company;
- (e) annually reviewing and recommending to the Board the compensation of the directors of the Company;
- (f) determining grants of options under the Company’s stock option plan and recommending the same to the Board for approval; and
- (g) reviewing public disclosure of executive and director compensation.

The Board relies on the knowledge and experience of the members of the CCG Committee in carrying out its responsibilities and to recommend appropriate levels of compensation for the Company’s executive officers. Under its Charter, the CCG Committee may also engage any external professional advisors, which it deems necessary to carry out its duties. However, to date, the CCG Committee has not retained any compensation consultant or advisor to assist the CCG Committee or the Board in determining compensation for the company’s directors or executive officers.

A complete copy of the CCG Committee charter is available on the Company’s website at [www.almonty.com](http://www.almonty.com). Additional information with respect to the Board and the CCG Committee can be found in the section “*Corporate Governance – Board of Directors*” and “*Corporate Governance – Compensation and Corporate Governance Committee*”, below.

### ***Executive Compensation Program Design and Philosophy***

The Company’s executive compensation program is based on a pay-for-performance philosophy and is designed to deliver consistently strong performance for Shareholders. The Company’s program is intended to achieve the following key objectives:

- (a) aligning the interests of the Company’s executive officers and directors with those of its Shareholders;

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<sup>1</sup> For a description regarding the relevant education and experience of Mr. D’Amato, Mr. Gutschlag and Mr. Trachuk, see the section “*Business to be Conducted at the Meeting – Election of Directors*”, above.

- (b) attracting and retaining highly trained, experienced and committed executive officers and directors, whose performance will directly affect the Company's ongoing financial performance; and
- (c) motivating and rewarding executive officers and directors by linking incentive compensation to Shareholder value, the achievement of general business objectives, and financial and operational results.

The Company's compensation program is comprised of base salary, short-term incentive compensation and long-term incentive compensation. These components are discussed in more detail below. In setting the value of each of these components, the CCG Committee considers the performance of both the Company, as well as the individual performances of its executive officers for the period in question. The CCG Committee does not generally set specific performance objectives and so relies on its experience and judgment in determining compensation. However, the CCG Committee will generally have regard to, among other things:

- (a) The Company's performance relative to its general goals and objectives.
- (b) The Company's performance relative to the mining industry as a whole, which, the Board, from time to time, determines on the basis of the size, scope and complexity of the other firms' businesses and operations compared to those of the Company, with regard to factors including the relative stage of development, production levels, past exploration and development success, revenue levels, total assets, free cash flow and capital expenditures.
- (c) The relative competitiveness of the Company's compensation program when compared with the similar companies in the same industry.
- (d) The Company's share price and market capitalization.
- (e) Developments in, and the stability of, the financial markets more generally.

The CCG Committee has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a general consideration of the CCG Committee when implementing the Company's compensation policies and the CCG Committee does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking, including risks that are likely to have a material adverse effect on the Company.

The Company maintains an Insider Trading Policy that prohibits insiders from engaging in short sales of securities of the Company, buying or selling puts, calls or other derivatives in respect of securities of the Company, or purchasing the Company's securities on margin as held in a margin account.

### ***Elements of the Company's Executive Compensation Program***

#### **Base Salaries**

Base salaries are considered to be an essential element in attracting and retaining highly qualified executive officers who are critical to the Company's success. An executive officer's base salary is intended to provide a fixed level of pay that reflects each executive officer's experience, primary duties and responsibilities. It also provides a foundation upon which performance based incentive compensation elements are assessed. Base salaries are established by taking into account individual performance, experience, level of responsibility and pay practices in the mining industry generally. Base salaries of all executive officers are reviewed annually by the CCG Committee and approved by the Board.

#### **Short-Term Incentive Compensation**

The Company may pay discretionary cash bonuses, which are intended to reward individual contribution to corporate performance over the course of the Company's most recently completed fiscal year end December 31, 2021. Bonuses are paid at the discretion of the Board, on the recommendation of the CCG Committee, and neither

the CCG Committee nor the Board has established any particular trigger or formula for determining when an award will be made under this plan, nor the quantum of any award that is made. Instead, the CCG Committee and the Board will generally consider all aspects of an individual executive's personal contribution to corporate performance and general objectives when making a determination.

#### Long-Term Incentive Compensation – Security-Based Awards

##### **Stock Option Plan**

The Company has established a Stock Option Plan (the “**Stock Option Plan**”) to provide long-term incentives to eligible directors, officers, employees and consultants. Stock Option Plan was initially adopted by the Company on February 10, 2010 when the Company was a Capital Pool Company (as defined in the TSX Venture Exchange's Corporate Finance Manual), an amended and restated Stock Option Plan was initially approved by Shareholders at the Company's annual meeting of Shareholders on March 26, 2013, and a further amended and restated Stock Option Plan was approved by the Shareholders at the annual meeting of Shareholders held on March 22, 2016. As part of the Company's listing on the Exchange, the Stock Option Plan was amended to bring certain provisions of the Stock Option Plan in-line with the requirements of the Exchange, and to remove certain provisions that were required when the Shares were listed on the TSX Venture Exchange and to make certain other corresponding amendments. At an annual and special meeting of Shareholder held on March 28, 2019, Shareholders approved such amendments as well as all unallocated options, rights or other entitlements under the Stock Option Plan until March 28, 2022.

The Board, on the recommendation of the CCG Committee, has the authority to grant Options to officers, directors, employees or consultants (or a corporation employing or wholly-owned by such persons), including consultants that provide investor relations activities to the Company, on such terms, limitations, conditions and restrictions as the Board deems necessary or advisable.

The Stock Option Plan is intended to advance the interests of the Company by encouraging the officers, directors, employees and consultants of the Company, and of its subsidiaries, to acquire Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Ownership of Shares is intended to align the interests of the Company's executive officers, directors and other stakeholders with those of the Shareholders, as participation in the Stock Option Plan rewards overall corporate performance, as measured through the price of the Shares. The Stock Option Plan is also intended to assist in the recruitment and retention of key personnel. As with many similar companies within the same industry of the Company, the granting of Options forms an integral component of the Company's overall executive compensation package. The Stock Option Plan enables executive officers to develop and maintain an ownership interest in the Company.

Options are normally awarded upon the commencement of an executive officer's employment with the Company, with the size of the award determined by the level of the executive officer's responsibility within the Company. The Board, on the recommendation of the CCG Committee, has authority to make additional grants from time to time, and such awards are intended to ensure that the number of Options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. The Board and CCG Committee also have regard to other factors when determining whether to make an additional award of Options to an individual under the Stock Option Plan, including the number of outstanding Options already granted to that individual, the value of such Options and the total number of Options available for grant under the Stock Option Plan. See the section “*Executive Compensation – Compensation Discussion and Analysis – Summary of the Stock Option Plan*”, below, for further information regarding the Stock Option Plan.

##### ***Summary of the Stock Option Plan***

The below provides a summary of the terms of the Stock Option Plan and Options granted thereunder.



The Stock Option Plan is designed to provide additional flexibility to the Board and Compensation and Corporate Governance Committee of the Board (the “**CCG Committee**”) in implementing their compensation objectives.

Under the Stock Option Plan for eligible directors, officers, consultants and employees, the Company may grant Options to purchase Shares to such eligible directors, officers, consultants and employees as the Board deems advisable. The Stock Option Plan provides that the maximum number of Shares issuable upon the exercise of Options under the Stock Option Plan, together with all of the Company’s other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not exceed 10% of the issued and outstanding Shares (on a non-diluted basis) as at the date of grant of any Option under the Stock Option Plan. As a result, should the Company issue additional Shares in the future, the number of Shares issuable under the Stock Option Plan will increase accordingly. As of the date of this Circular and pursuant to the Stock Option Plan, the maximum number of Shares issuable upon exercise of options is 8,375,000 and 11,973,637 Options remain issuable under the Stock Option Plan.

The Stock Option Plan is considered an “evergreen” plan, since the Shares covered by Options which have been exercised shall be available for subsequent grants under the Stock Option Plan and the number of Options available to grant increases as the number of issued and outstanding Shares increases. The exercise price shall be set by the Board and shall not be less than the market price of the Shares at the time of grant of the Option. The Board sets the terms of the Options, provided that such term shall not exceed 10 years. The Board also approves the vesting period or periods of Options granted under the Stock Option Plan. Under the rules of the Exchange, unallocated option entitlements under a stock option plan that does not provide for a fixed number of shares for issuance, such as the Company’s Stock Option Plan, must be specifically approved every three years by Shareholders. The Company does not provide financial assistance to participants under the Stock Option Plan to facilitate payment of the exercise price of Options.

As at the date hereof, Options to acquire 8,375,000 Shares (which represent 4% of the currently issued and outstanding Shares) had been granted and were outstanding pursuant to the Stock Option Plan and 201,000 Shares have been issued upon exercise of options previously granted under the Stock Option Plan. Options to acquire Shares were granted under the Stock Option Plan during the most recently completed fiscal year ended December 31, 2021 to: (i) the Named Executive Officers (250,000 on August 24, 2021); (ii) to directors (250,000 on February 1, 2021, 400,000 on August 19, 2021 and 600,000 on August 24, 2021); and (iii) to other key employees/consultants (500,000 on February 1, 2021, 50,000 on March 23, 2021 and 200,000 on August 19, 2021).

The annual burn rate of Options in respect of: (i) most recently completed fiscal year ended December 31, 2021 was 0.75%; (ii) fiscal 2020 was 1.13%; and (iii) fiscal 2019 was 0.055%. “Annual burn rate” is the number of Options granted under the Stock Option Plan during the applicable fiscal year divided by the weighted average number of Shares outstanding for the applicable fiscal year, as required to be calculated and disclosed pursuant to Sections 613(p) and 613(d)(iii) of the TSX Company Manual.

The Stock Option Plan also has the following terms, among others:

1. the exercise price for each Option granted (following the listing of the Shares on the Exchange on June 1, 2018) shall be the “market price” on the date the Option is granted. The “market price” is equal to the volume weighted average price at which the Shares have traded on the Exchange for the five trading days immediately preceding the date of grant;
2. the Board fixes the vesting terms it deems appropriate when granting Options;
3. the Stock Option Plan does not provide for a maximum number of Shares which may be issued to an individual pursuant to the Stock Option Plan and any other share compensation arrangement (expressed as a percentage or otherwise) except with respect to insiders as described below;
4. Options terminate within a period of time following an optionee ceasing to be a director, officer, consultant or employee of the Company or of a subsidiary of the Company, being the earlier of the original expiry date and (i) the date of termination, in the case of termination for just cause; (ii) one year in the case of

death; and (iii) thirty days in all other cases, subject to the discretion of the Board. Any Option not vested at the date of such termination shall be immediately cancelled;

5. the number of Shares issuable to insiders of the Company at any time pursuant to all of the Company's share compensation arrangements shall not exceed 10% of the outstanding Shares on a non-diluted basis and the number of Shares issued to insiders of the Company, within any one year period, pursuant to all of the Company's share compensation arrangements, shall not exceed 10% of the outstanding Shares on a non-diluted basis;
6. Options are not transferable otherwise than by will or by the laws of descent and distribution, and Options are exercisable, during the holder's lifetime, only by the holder;
7. if the date on which an Option expires occurs during or within nine business days after the last day of a trading black-out period imposed pursuant to the Company's insider trading policy, then the expiry date of such Option shall be the date that is ten business days following the date of expiry of the trading black-out period;
8. accelerated vesting of Options under the Stock Option Plan at the Board's discretion in the event of: (i) a Take-Over Bid or Issuer Bid (as such terms are defined in the Stock Option Plan) (other than a "normal course" Issuer Bid) made for all or any of the issued and outstanding Shares; or (ii) a Change of Control (as defined in the Stock Option Plan) of the Company; and
9. schedules for the form of Option agreement for options issued, as well as a form for optionees to use to exercise Options.

The Board may, with Exchange approval, at any time amend, modify or terminate the Stock Option Plan if and when it is advisable in the discretion of the Board, except that Shareholder approval is required in respect of:

- (a) any amendments to the maximum number of Shares reserved for issuance under the Stock Option Plan;
- (b) any amendment which reduces the exercise price of an Option that is held by an insider of the Company;
- (c) any amendment extending the term of an Option held by an insider of the Company beyond its original expiry date except as otherwise permitted by the Stock Option Plan;
- (d) any amendment which increases the limit on grants of Options to insiders of the Company under the Stock Option Plan;
- (e) the inclusion in the Stock Option Plan of amendment provisions granting additional powers to the Board to amend the Stock Option Plan or Option entitlements thereunder without Shareholder approval; and
- (f) amendments required to be approved by Shareholders under applicable law (including, without limitation, Exchange policies and securities laws).

Where Shareholders approval is sought for amendments under subsections (b) (c) or (d) above, the votes attached to Shares held directly or indirectly by insiders of the Company benefiting from the amendment must be excluded.

Other than as specified above, the Board may approve all other amendments to the Stock Option Plan or Options granted under the Stock Option Plan. Without limiting the generality of the foregoing, the following types of amendments would not require shareholder approval:

- (a) amendments of a "housekeeping" or ministerial nature, including any amendment for the purpose of curing any ambiguity, error or omission in the Stock Option Plan or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan;

- (b) amendments necessary to comply with the provisions of applicable law (including, without limitation, including, without limitation, Exchange policies and securities laws);
- (c) the addition or modification of a cashless exercise feature, payable in securities or cash of the Company;
- (d) amendments respecting administration of the Stock Option Plan;
- (e) any amendment to the vesting provisions of the Stock Option Plan or any Option;
- (f) any amendment to the early termination provisions of the Stock Option Plan or any Option, whether or not such Option is held by an insider of the Company, provided such amendment does not entail an extension beyond the original expiry date;
- (g) amendments necessary to suspend or terminate the Stock Option Plan; and
- (h) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable law (including, without limitation, without limitation, Exchange policies and securities laws).

### ***Summary of the 2020 Restricted Share Unit Plan***

The Company adopted the RSU Plan in 2020, a copy of which is attached to the Management Circular filed on SEDAR on May 19, 2021. The purpose of the RSU Plan is to enhance the Company's ability to attract and retain talented employees, to promote an alignment of interests between such employees and the shareholders of the Company and to facilitate share ownership in the Company by its employees.

### ***Award of Units***

Pursuant to the RSU Plan, the CCG Committee, or such other committee or persons designated by the Board for purposes of the RSU Plan may from time to time award Restricted Share Units (in this section referred to as "Units") to Eligible Directors or Eligible Employees (collectively, "Participants"). Eligible Directors are the directors of the Company or any affiliate of the Company. Eligible Employees are employees (including employees who are officers or directors) of the Company or any affiliate of the Company, whether or not they have a written employment contract with the Company, determined by the Board, upon recommendation of the CCG Committee, as employees eligible for participation in the Plan. Eligible Employees may also include Service Providers eligible for participation in the Plan as determined by the Board. For purposes of the RSU Plan, Service Provider means any person or company engaged by the Company or an affiliate to provide services for an initial, renewable or extended period of 12 months or more.

At the time of each award of Units, the CCG Committee will designate whether the Units awarded to a Participant are to be settled in cash or Shares, or in part cash and part Shares. Units settled in cash are hereinafter referred to as "Cash Units" and Units settled in Shares are referred to as "Share Units".

### ***Number of Common Shares Available for Issuance***

Under the RSU Plan, the aggregate number of Shares that may be reserved for issuance under the Plan on the award of Units, together with any other security-based compensation arrangements, at any particular time shall not exceed 10% of the issued and outstanding Common Shares. If a Participant forfeits his or her Units, the applicable underlying Shares in respect of such forfeited Units become available for re-issuance under the RSU Plan.

The aggregate number of Shares issued to insiders of the Company within any 12 month period, or issuable to insiders of the Company at any time, under the Plan or when combined with any other security based compensation arrangements of the Company, may not exceed 10% of the total number of issued and outstanding Shares at such time.

### ***Rights and Restrictions Attached to Restricted Share Units***

Participants do not have any rights as a shareholder of the Company in respect of the Units. Accordingly, Participants are not entitled to vote the Shares underlying the Share Units. Units are not assignable by a Participant.

### ***Resignation or Other Cessation of Employment***

If the employment of a Participant is terminated for any reason other than death or disability, the Participant forfeits all right, title and interest with respect to any unvested Units awarded to the Participant under the RSU Plan and such Units will immediately expire and be cancelled on such termination date, unless otherwise determined by the CCG Committee. Any vested Units will continue to be governed by the RSU Plan (see “Settlement” below). If a Participant dies or becomes disabled, his or her Units will vest immediately.

### ***Vesting***

Units will vest in accordance with the terms set by the CCG Committee at the time Units are awarded.

### ***Change in Control***

In the event there is a change of control of the Company (as defined in the RSU Plan) and the employment of a Participant is terminated without cause within twelve months after the change of control, the Participant’s Units will vest on the date of termination of employment.

### ***Settlement***

For Share Units, the number of Shares received by a Participant upon vesting shall be equal to the number of such Units vested on the settlement date. Also, at any time prior to the settlement date, a Participant may request that his or her Share Units be settled in cash, and the CCG Committee may, in its absolute discretion, agree to settle such Units in cash.

For the purpose of settling Cash Units, the amount of cash payable shall be determined by multiplying the number of such Units by the Fair Market Value (as defined below) on the date a determination is required, namely the earliest of: (a) the date of the Participant’s death or disability; (b) the last day of employment of the Participant; (c) the settlement date(s) set out in any grant instrument; or (d) the Latest Settlement Date (as defined in the RSU Plan). The value will be paid to a Participant net of all applicable taxes and other amounts required to be withheld determined in the sole discretion of the Company, within 30 days of the date the Fair Market Value of the applicable Units was determined.

### ***Dividend Equivalents***

In the event a dividend becomes payable on the Shares, on the payment date for such dividend, each Participant’s account shall be credited with a number of Units (including fractional Units) equal to: (a) the amount of the dividend paid per Share multiplied by the number of Units credited to the Participant’s account as of the record date for payment of the dividend, divided by (b) the weighted average trading price for the Shares on the TSX on the five trading days prior to that date (the “**Fair Market Value**”) as of the date for payment of the dividend. Subject to the RSU Plan, Units credited to a Participant’s account will generally vest at the same time as the related Units vest and will generally be settled in the same form, in cash or Common Shares, as the related Units.

### ***Amendment of the RSU Plan and Units awarded under the RSU Plan***

The Board may amend or terminate the RSU Plan, or any Units awarded under the Plan, at any time and in such manner and to such extent as it deems advisable. Any amendments shall be contingent on approval of the

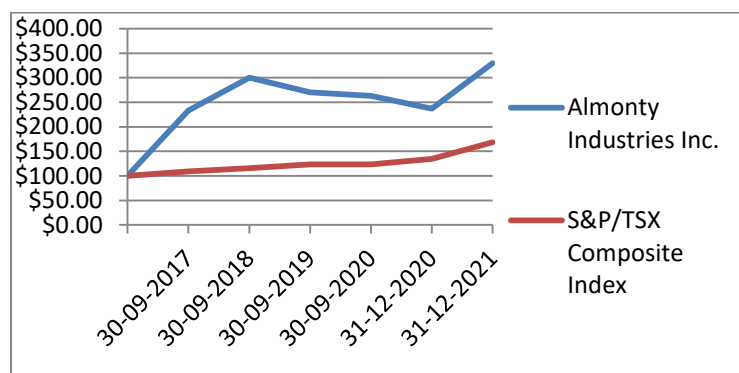
Company’s Shareholders to the extent required by the RSU Plan, or as required by applicable law or by any stock exchange on which Shares are listed. Shareholder approval is required for:

- (i) an increase in the maximum number of Shares reserved for issuance under the RSU Plan or a change from a fixed maximum number of Common Shares to a fixed percentage;
- (ii) any amendment to the amendment provisions of the RSU Plan;
- (iii) any amendment to remove or exceed the insider participation limit;
- (iv) any amendment extending the term of any award beyond its Latest Settlement Date;
- (v) any amendment to the assignment provisions.

The Board will not require Shareholder approval to make other amendments to the RSU Plan, or any Units awarded under the Plan, including (i) amendments of a “housekeeping” nature such as correcting typographical or clerical errors or adding clarifying statements to ensure the intent and meaning of the Plan, or of a grant under the Plan, is properly expressed, (ii) amendments to satisfy changes in applicable tax law, (iii) amendments to outstanding Units in the event of certain corporate transactions, and (iv) the addition of covenants for the protection of Participants.

**Performance Graph**

The following graph compares the yearly percentage change in the cumulative total return on the Shares with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Global Mining Index. The graph indicates the relative values for each of the past five fiscal years, assuming that \$100 was invested on the first day of the five-year period, being October 1, 2016 taking into consideration that the Company changed its fiscal year end from September to December in 2020.



	2016	2017	2018	2019	Sept 2020	Dec 2020	2021
Almonty Industries Inc.	100	233.33	300	270.37	262.96	237.03	329.62
S&P/ TSX Composite Index	100	109.18	115.59	123.76	123.73	134.83	168.66

As shown in the foregoing graph, the Company’s performance has been below the performance of the S&P/TSX Composite Index and S&P/TSX Global Mining Index. Market conditions over the past several years have been volatile and have particularly impacted the junior mining sector. Market conditions and associated long term market uncertainties have an impact on officer compensation decisions; however, the Compensation and Corporate Governance Committee of the Company also considers the performance of the officers and the achievement of

milestones. The Company's officers have achieved many milestones, notwithstanding the difficulties resulting from the depressed price of tungsten prior to 2018.

## B. SUMMARY COMPENSATION TABLE

### *Summary Compensation Table*

The following table sets forth the compensation earned for each of the Company's three most recently completed financial years ended December 31, 2021, December 31, 2020 and December 31, 2019 by the Company's Named Executive Officers.

Name and principal position	Year ended	Salary (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
<b>Lewis Black</b> President & Chief Executive Officer, Director	Dec. 31, 2021	474,930	371,461	Nil	Nil	N/A	Nil	846,391
	Dec. 31, 2020	490,450	Nil	Nil	Nil	N/A	Nil	490,450
	Dec. 31, 2019	461,928	Nil	639,778 <sup>(3)</sup>	Nil	N/A	Nil	1,101,706
<b>Mark Gelmon</b> <sup>(2)</sup> Chief Financial Officer, Former Director	Dec. 31, 2021	240,000	Nil	Nil	Nil	N/A	Nil	240,000
	Dec. 31, 2020	240,000	Nil	Nil	Nil	N/A	Nil	240,000
	Dec. 31, 2019	277,500	Nil	13,000 <sup>(3)</sup>	Nil	N/A	Nil	290,500

Notes:

- (1) The Company accounts for stock options and RSUs using the fair value based method and the fair value of the award on the grant date has been determined using the Black-Scholes fair value option pricing model and the following assumptions for the fiscal year ended December 31, 2021: (i) weighted average fair value per option: \$0.70; (ii) weighted average share price \$0.92; (iii) weighted average exercise price: \$0.94; (iv) expected volatility: 74%; (v) dividend yield: Nil%; (vi) risk free interest rate: 1.13%; and (vii) weighted average expected life in years: 10.
- (2) Mr. Gelmon does not receive any compensation directly from the Company. All compensation paid by the Company in connection with the services of Mr. Gelmon is paid to iO Corporate Services Ltd., a Company which provides secretarial and accounting services.
- (3) Represents a cash bonus.

### *Employment, Consulting and Management Agreements*

Other than as described below, as of the date of this Circular, the Company does not have any employment contracts, agreements or arrangements with the Named Executive Officers to compensate them in the event of their resignation, retirement, termination or in the event of a change of control of the Company.

#### *Lewis Black, Chairman, President and Chief Executive Officer*

Effective January 1, 2020, the Company entered into an employment agreement with Mr. Black, as President and Chief Executive Officer of the Company. Under this agreement, Mr. Black is entitled to (i) an annual salary of US\$360,000 per year, increasing annually by US\$20,000 on January 1, 2021 and January 1, 2022, as may be adjusted by the Board from time to time (the "**Base Salary**"), (ii) standard benefits made available by the Company to its employees, (iii) the use of a leased automobile in Spain, (iv) pay up to €6,000 per month in respect of rent and utilities for leased accommodation in Paris that is to be used as office space and (v) participation in the Stock Option Plan. The agreement also contains certain confidentiality and non-competition provisions for the benefit of the Company.

If Mr. Black's employment is terminated for cause, by resignation or death, Mr. Black will receive his unpaid Base Salary and any other benefits earned through the termination date. In the case of termination for cause or by resignation, Mr. Black's vested options will remain exercisable until 90 calendar days following the termination date. In the case of termination by death, Mr. Black's vested options will remain exercisable by his heirs or administrators for one year from the date of death.

If Mr. Black's employment is terminated without cause or for good reason, then Mr. Black will be entitled to receive (i) his unpaid Base Salary and any other benefits earned through the termination date, and (ii) 12 months' notice (or Base Salary in lieu of such notice). In the case of termination without cause all the entitlements under the Company's Stock Option Plan and any grant documents shall be governed fully by the terms and conditions of such Stock Option Plan and any grant documents.

For the purposes of Mr. Black's employment agreement, a change of control shall be considered a termination without cause and without prior notice entitling Mr. Black to a separation package and continuation of certain benefits. The separation package provides 12 months of Mr. Black's current base salary payable in one lump sum within 5 business days of the termination date and also entitling Mr. Black with a continuation of the benefits plan for 12 months following the termination date.

*Estimated Payments for Named Executive Officers upon Termination of Employment or Change of Control*

The following table sets out the incremental payments (but excluding any statutory benefits) that would be made to each Named Executive Officer, at, following, or in connection with each of the termination scenarios below as if the triggering event had occurred on December 31, 2021.

Name and Principal Position	Type of Payment	Termination for cause (\$)	Termination without cause (\$)	Resignation (\$)	Death (\$)	Good Reason (\$)	Change of Control (\$)
Lewis Black President and Chief Executive Officer	Cash Severance	Nil	US\$380,000 <sup>(1)</sup>	Nil	Nil	US\$380,000 <sup>(1)</sup>	Nil
	Options <sup>(2)</sup>	Nil	Nil	\$333,000	\$333,000	\$333,000	\$333,000

Notes: (1) Severance is governed by the respective NEO's employment agreement.

(2) The values shown represent the in-the-money amount of options for which vesting would be accelerated. The closing price of the Shares on the Exchange on December 31, 2021, was \$0.89.

**INCENTIVE PLAN AWARDS**

*Outstanding Option-Based Awards and other Compensation Securities*

The following table sets forth all compensation securities outstanding at the end of the most recently completed fiscal year ended December 31, 2021 for each of the Named Executive Officers.

<i>Compensation Securities</i>						
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Issue, conversion or exercise price (\$) <sup>(1)</sup>	Expiry Date	Number of vested options as at December 31, 2021	Value of vested unexercised in-the-money options (\$) <sup>(1)</sup>
Lewis Black President & Chief Executive Officer, Director	Options	100,000	\$0.65	January 7, 2025	100,000	24,000
	Options	300,000	\$0.80	December 23, 2025	300,000	27,000
	Options	250,000	\$0.94	August 18, 2026	250,000	Nil
	Options	500,000	\$0.33	August 17, 2027	500,000	280,000
	Options	100,000	\$0.87	June 28, 2028	100,000	2,000
	RSUs	1,000,000	\$0.92	n/a	Nil	Nil

<i>Compensation Securities</i>						
<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>(1)</sup></b>	<b>Issue, conversion or exercise price (\$)<sup>(1)</sup></b>	<b>Expiry Date</b>	<b>Number of vested options as at December 31, 2021</b>	<b>Value of vested unexercised in-the-money options (\$)<sup>(1)</sup></b>
<b>Mark Gelmon</b> Chief Financial Officer, Former Director	Options	50,000	\$0.33	August 17, 2027	50,000	28,000
	Options	50,000	\$0.87	June 28, 2028	50,000	1,000

Notes:

(1) The closing price of the Shares on the Exchange on December 31, 2021 was \$0.89 per Share.

#### ***Incentive Plan Awards – Value Vested or Earned During the Fiscal Year Ended December 31, 2021***

The following table sets forth all awards in which the value vested or was earned during the most recently completed fiscal year ended December 31, 2021 for each of the Named Executive Officers.

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
<b>Lewis Black</b> President & Chief Executive Officer, Director	Nil	Nil	Nil
<b>Mark Gelmon</b> Chief Financial Officer, Former Director	Nil	Nil	Nil

Notes:

See “*Summary of the Stock Option Plan*” “*Summary of the 2020 Restricted Share Unit Plan*” above for more information concerning the Security-Based Compensation Arrangements and the terms of options, rights and entitlements granted thereunder.

#### **C. PENSION PLAN BENEFITS**

The Company does not have a pension plan or similar benefit program.

#### **D. DIRECTOR COMPENSATION**

##### ***Director Compensation Table***

During the most recently completed fiscal year ended December 31, 2021, the directors earned compensation for serving as members of the Board as set out in the following table.



Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Michael Costa	Nil	Nil	35,883	Nil	N/A	N/A	35,883
Daniel D'Amato	187,720 <sup>(3)</sup>	Nil	106,495	Nil	N/A	N/A	106,495
Mark Trachuk	Nil	Nil	106,495	Nil	N/A	N/A	106,495
Thomas Gutschlag	Nil	Nil	35,883	Nil	N/A	N/A	35,883
James Kim <sup>(4)</sup>	Nil	Nil	158,200	Nil	N/A	N/A	158,200
Andrew Frazer <sup>(5)</sup>	Nil	Nil	141,224	Nil	N/A	863,217 <sup>(7)</sup>	1,004,441
Mark Goodman <sup>(6)</sup>	Nil	Nil	71,767	Nil	N/A	Nil	71,767
<b>Total (\$)</b>	187,720	Nil	665,947	Nil	N/A	863,217	1,519,164

Notes:

- (1) Information regarding compensation to Lewis Black and Mark Gelmon is disclosed under “Summary Compensation Table”, above.
- (2) The Company accounts for stock options and RSUs using the fair value based method and the fair value of the award on the grant date has been determined using the Black-Scholes fair value option pricing model and the following assumptions for the fiscal year ended December 31, 2021: (i) weighted average fair value per option: \$0.70; (ii) weighted average share price \$0.92; (iii) weighted average exercise price: \$0.94; (iv) expected volatility: 74%; (v) dividend yield: Nil%; (vi) risk free interest rate: 1.13%; and (vii) weighted average expected life in years: 10.
- (3) Represents consulting fees paid to Mr. D'Amato.
- (4) Mr. Kim was appointed a director on February 1, 2021.
- (5) Mr. Frazer was appointed a director on May 28, 2021.
- (6) Mr. Goodman was appointed a director on August 25, 2021.
- (7) IPO Finder fees paid to Lazarus Corporate Finance Pty Ltd., a Company that Mr. Frazer is the founder and managing director.

### ***Outstanding Option-Based Awards***

The following table sets forth all option-based awards outstanding at the end of the most recently completed fiscal year ended December 31, 2021 for each of the directors.

Name <sup>(1)</sup>	Option-based awards				
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Number of vested options as at December 31, 2021	Value of vested unexercised in-the-money options (\$) <sup>(2)</sup>
Michael Costa	100,000	0.98	August 24, 2026	100,000	Nil
	200,000	0.87	June 28, 2028	200,000	4,000
	100,000	0.70	October 27, 2030	100,000	19,000
Daniel D'Amato	100,000	0.65	January 7, 2025	100,000	24,000
	500,000	0.80	December 23, 2025	500,000	45,000
	100,000	0.94	August 18, 2026	100,000	Nil
	100,000	0.98	August 24, 2026	100,000	Nil
	200,000	0.33	August 17, 2027	200,000	112,000
	100,000	0.87	June 28, 2028	100,000	2,000
	100,000	0.70	October 27, 2030	100,000	19,000
Mark Trachuk	100,000	0.65	January 7, 2025	100,000	24,000
	100,000	0.94	August 18, 2026	100,000	Nil
	100,000	0.98	August 24, 2026	100,000	Nil
	200,000	0.33	August 17, 2027	200,000	112,000
	100,000	0.87	June 28, 2028	100,000	2,000
	100,000	0.70	October 27, 2030	100,000	19,000

<b>Thomas Gutschlag</b>	100,000	0.80	December 23, 2025	100,000	9,000
	100,000	0.98	August 24, 2026	100,000	Nil
	200,000	0.33	August 17, 2027	200,000	112,000
	100,000	0.87	June 28, 2028	100,000	2,000
	100,000	0.70	October 27, 2030	100,000	19,000
<b>James Kim</b>	250,000	0.75	January 31, 2031	250,000	35,000
<b>Andrew Frazer</b>	200,000	0.94	August 18, 2026	200,000	Nil
<b>Mark Goodman</b>	200,000	0.98	August 24, 2026	200,000	Nil

Notes:

- (1) Information regarding option-based awards to Lewis Black is disclosed under “*Summary Compensation Table*”, above.
- (2) The closing price of the Share on the Exchange on December 31, 2021 was \$0.89 per Share.

### ***Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2021***

The following table sets forth all awards in which the value vested or was earned during the most recently completed fiscal year ended December 31, 2021 for each of the directors.

<b>Name<sup>(1)</sup></b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
<b>Michael Costa</b>	35,883	Nil <sup>(2)</sup>
<b>Daniel D’Amato</b>	106,495	Nil <sup>(2)</sup>
<b>Mark Trachuk</b>	106,495	Nil <sup>(2)</sup>
<b>Thomas Gutschlag</b>	35,883	Nil <sup>(2)</sup>
<b>James Kim</b>	158,200	Nil <sup>(2)</sup>
<b>Andrew Frazer</b>	141,224	Nil <sup>(2)</sup>
<b>Mark Goodman</b>	71,767	Nil <sup>(2)</sup>

Notes:

- (1) Information regarding option-based awards to Lewis Black is disclosed under “*Summary Compensation Table*”, above.
- (2) Represents cash bonuses.

### ***Directors’ and Officers’ Insurance***

During the most recently completed fiscal year ended December 31, 2021, the Company participated in directors’ and officers’ liability insurance coverage of \$10,000,000 for the benefit of all the directors and officers of the Company in such capacity and as a group. The premium cost paid by the Company for directors’ and officers’ liability insurance for this period was \$97,925. The coverage contains a deductible of \$100,000, payable by the Company for any loss.

## **CORPORATE GOVERNANCE**

The following discussion of the Company’s corporate governance policies and practices is provided pursuant to the disclosure requirements applicable to it as set out in applicable securities laws and the policies of the Exchange. The Company is not a “venture issuer” for purposes of these laws and policies and it is required to provide this disclosure relating to its corporate governance policies and practices annually.

National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) sets out guidelines for effective corporate governance. These guidelines deal with matters such as the constitution and independence of corporate

boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of the corporate governance practices must be included in its management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and Shareholders. The Company’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Company’s corporate governance practices are in compliance with applicable Canadian requirements. The Company continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

The Board has considered the guidelines set out in NP 58-201 and believes that its approach to corporate governance is appropriate and works effectively for the Company and its Shareholders, given its size.

Cognizant of these regulatory requirements and the evolution of best practices, the Board has been, and will continue to be, proactive in reviewing and amending the Company’s governance practices.)

## **A. BOARD OF DIRECTORS**

### ***Mandate of the Board of Directors***

On January 23, 2012, the Board approved a written Mandate of the Board to assist it in the better execution of its responsibilities, the text of which is attached hereto as Schedule “A”. The mandate provides certain guidelines for Board composition and conduct, and highlights particular areas of the conduct of the Company’s affairs for which the Board assumes specific responsibility.

### ***Composition and Independence***

The Board facilitates its exercise of independent supervision over management by ensuring representation on the Board by directors who are independent of management and by promoting frequent interaction and feedback.

Applicable securities laws, including NP 58-201, recommend that boards of directors of non-venture issuers such as the Company be comprised of a majority of independent directors, as that term is defined under applicable securities laws. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board has reviewed the relationship between each current director and the Company with a view to determining independence. Based on that review, four of the Company’s six directors submitted for proposed election at the Meeting are independent.

The independent directors are:

- Michael Costa;
- Thomas Gutschlag;
- Mark Trachuk;
- Andre Frazer; and

The non-independent directors are:

- Lewis Black; and
- Daniel D’Amato.

Mr. Black is not independent of the Company by virtue of his role as Chief Executive Officer of the Company. Mr. D’Amato is not independent by virtue of \$187,720 received by him in consulting fees for the most recently completed fiscal year ended December 31, 2021.

The Board has overall responsibility for the governance of the Company, including the exercise of independent supervision of the Company’s management. The Board considers that management is, and has been, effectively supervised by the independent directors on an informal basis, as these independent directors are, and have been, actively and regularly engaged in reviewing the operations and activities of the Company, and have full and regular access to management of the Company. Though the current Chairman is not independent, the independent directors have sufficient breadth of experience to operate without necessarily needing to rely on the leadership of the Chairman.

***Directorships of Other Reporting Issuers***

None of the current directors of the Company presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction, other than as set out below.

<b>Name of Director</b>	<b>Name of Reporting Issuer (or the Equivalent)</b>	<b>Name of Exchange</b>
Michael Costa	Fortress Technologies Inc. (formerly, Fortress Blockchain Corp.)	TSX Venture
	Base Carbon Inc.	NEO Exchange
Thomas Gutschlag	Deutsche Rohstoff AG	Frankfurt Stock Exchange

***Board Meetings and Attendance***

Meetings of the non-management directors at which members of management (including the President and Chief Executive Officer) are not in attendance are generally held immediately after regularly scheduled Board meetings. In addition, the Company’s Board committees operate under approved charters and chair mandates, and can and do meet and operate independently of non-independent directors and management in fulfilling their mandates and making recommendations to the Board.

The following is a summary of the meetings of the Board and the meetings of the Audit and Compensation and Corporate Governance Committees of the Board held during fiscal 2021 and the attendance at these meetings by the directors:

<b>Name of Director</b>	<b>Board Meetings Attended</b>	<b>Audit Committee Meetings Attended</b>	<b>Compensation and Corporate Governance Committee Meetings Attended</b>
<b>Lewis Black</b>	4 of 4	N/A	N/A
<b>Michael Costa</b>	3 of 4	3 of 4	N/A
<b>Daniel D’Amato</b>	4 of 4	N/A	1 of 1
<b>Mark Trachuk</b>	4 of 4	4 of 4	1 of 1
<b>Thomas Gutschlag</b>	4 of 4	4 of 4	1 of 1
<b>James Kim</b>	3 of 4	N/A	N/A
<b>Andrew Frazer</b>	2 of 4	N/A	N/A
<b>Mark Goodman</b>	1 of 4	N/A	N/A

## **B. AUDIT COMMITTEE**

The audit committee of the Board (the “**Audit Committee**”) is currently comprised of Mr. Michael Costa, Mr. Thomas Gutschlag and Mr. Mark Trachuk (Chair), all of whom are financially literate and independent within the meaning of NI 52-110. The Company complies with the composition requirements for audit committees under NI 52-110 which requires that all the members of the Audit Committee be independent.

Further information regarding the Audit Committee, including a copy of the charter of the Audit Committee, can be found in the Company’s annual information form dated March 30, 2022, a copy of which is available for review under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **C. COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE**

The CCG Committee is comprised of Daniel D’Amato, Mr. Thomas Gutschlag and Mark Trachuk (Chair), all of whom have been determined by the Board to be independent under NI 58-101, other than Mr. D’Amato for the reasons described above. The CCG Committee assists the Board in fulfilling its oversight responsibilities with respect to each of the areas discussed below.

### ***Compensation***

As discussed above, responsibility for matters relating to the overall compensation philosophy and guidelines for the directors and officers of the Company lies with the CCG Committee. The CCG Committee annually reviews and recommends to the Board, the adequacy and form of compensation of the directors of the Company in light of the responsibilities and risks involved in being such a director. The CCG Committee is also responsible for annually evaluating the performance of the Chief Executive Officer of the Company and recommending to the Board his or her annual compensation package. A detailed discussion and analysis of the Board’s and the CCG Committee’s approach to the determination of compensation is provided in the section “*Executive Compensation – Compensation Discussion and Analysis*”, above.

### ***Nomination of Directors***

In addition to its oversight mandate with respect to compensation matters, responsibility for matters relating to the identification and nomination of directors lies with the CCG Committee. The CCG Committee is responsible for reviewing and reporting to the Board on matters relating to the identification, nomination and review of directors, including:

- (a) developing criteria for selection of directors and procedures to identify possible nominees;
- (b) reviewing and assessing qualifications of director nominees including potential conflicts of interest;
- (c) submitting to the Board for consideration and decision, names of the nominees to be brought forward to the next annual meeting of Shareholders or to be appointed to fill vacancies between such meetings; and
- (d) determining if any Board member’s qualifications or credentials since appointment have changed, or other circumstances arisen, so as to warrant a recommendation that such member resigns.

The CCG Committee does not currently have a written procedure for identifying new candidates for Board membership. In the normal course, the CCG Committee makes use of the formal and informal networks of the members of the Board and carries out formal searches for candidates when so directed by the Board.

### ***Orientation and Continuing Education***

Responsibility for orientation and continuing education of the Company’s directors lies with the CCG Committee. The CCG Committee’s charter provides it with a specific mandate to develop and review annually programs for the orientation of new directors and the ongoing education of existing directors. With respect to orientation, the CCG

Committee relies on informal orientation programs that are tailored to the particular needs and experience of the new director in question and to the needs of the Board at that time. The CCG Committee will provide such information to new members of the Board so as to ensure that such directors are familiar with the Company's business and procedures of the Board. Information may include the Company's corporate and organizational structure, recent filings and financial information, governance documents and important policies and procedures. The CCG Committee also ensures that every director possesses the capabilities, expertise, availability and knowledge required to fill his or her position adequately. With respect to ongoing education, the CCG Committee relies on its professional advisors to provide updates to the various members of the Board regarding changes in relevant policies, laws or regulations, and on a cultural expectation that directors communicate with the Company's management and professional advisors, as well as attend relevant industry conferences, in order to remain abreast of developments in the Company's industry and legal and regulatory environment. From time to time, the CCG Committee may arrange on-site tours of the Company's operations.

### ***Assessments***

Primary responsibility for assessing the performance of the Board, its committees and individual members lies with the CCG Committee. Pursuant to the CCG Committee's charter, the committee's responsibilities in this regard include the conduct of annual reviews of various aspects of the Company's corporate governance policies and practices, and in particular to conduct an annual review, together with the Chairman of the Board, of the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual director, and to make periodic reports to the Board on these matters. The CCG Committee is also responsible for reviewing and making recommendations to the Board with respect to the establishment or abolition of committees of the Board, their respective terms of reference, and the size and composition of the various committees of the Board.

### ***Director Term Limits***

The Company has not adopted term limits for directors on the Board or other mechanisms of board renewal as the Board is of the view that it is in the Company's best interests to retain experienced board members who are familiar with the Company's business and can provide continuity to its management. Instead, the Board currently assesses the performance of directors based on their ability to continue to make a meaningful contribution.

### ***Diversity on the Board of Directors and among Executive Officers***

The Company does not currently have a formal diversity policy in place regarding gender representation on the Board or in executive officer positions. The Company believes in retaining the most qualified candidate for any position irrespective of gender, and recruitment efforts will continue to be governed by the principles set forth below.

However, informally, in identifying and selecting director or executive officer nominees, the Company values diversity, including, without limitation, diversity of experience, perspective, education, race, gender and national and ethnic origin, religion, sexual orientation, political belief and disability, as among the many factors taken into consideration during the search process. The Company also considers, among other things, the qualifications, personal qualities, business background and relevant experience of individual candidates as well as the overall composition of the Board or executive officers with a view to identifying and selecting the best and most complementary candidates. The CCG Committee and the Board intend to consider whether the Company should adopt specific policies and practices regarding the representation of members of Designated Groups on the Board and in executive office positions, including the setting of targets for such representation.

As at the date hereof, none of the members of the Board nor any executive officers self-identify as members of any Designated Group.

## **D. ETHICAL BUSINESS CONDUCT**

As a responsible corporate citizen, the Company is committed to conducting its affairs with integrity, honesty, fairness and professionalism. On January 23, 2012, the Board approved a series of formal, written policies intended in part to promote ethical business conduct by the Company and its directors, executive officers and employees. In

addition to the Board being subject to the written mandate of the Board, as discussed above, and to the general requirement that the Company and its directors, executive officers, employees and consultants act in accordance with all applicable laws, these formal policies include:

- (a) *Code of Business Conduct*: Intended to promote the fundamental values of integrity, honesty, fair dealing and transparency, the code imposes certain and specific obligations on the directors, executive officers and employees of the Company to achieve this objective and provides for certain sanctions in the event of non-compliance. Responsibility for conducting periodic reviews of this Code of Business Conduct and overseeing management's monitoring of compliance with the Code of Business Conduct lies with the CCG Committee.
- (b) *Whistleblower Policy*: This policy imposes a general obligation on the Company's directors, executive officers, employees, consultants and contractors to submit all good faith concerns and complaints in respect of any matter that may constitute a breach of the Company's Code of Business Conduct, and in particular with respect to concerns about the Company's accounting, internal control or auditing procedures, to the Chair of the Audit Committee. Responsibility for administering this policy lies with the Audit Committee.
- (c) *Insider Trading Policy*: Intended to ensure compliance with applicable securities laws relating to insider trading and tipping, as well as avoiding the occurrence or appearance of improper trading or tipping and assisting the Company's directors, officers and employees to comply with their obligations under such laws. This policy outlines certain general obligations and provides for certain sanctions in the event of non-compliance with its terms by any of the Company's directors, executive officers, employees or consultants.

Further information and complete copies of the Company's codes and policies are available on the Company's website at [www.almonty.com](http://www.almonty.com).

## **E. OTHER COMMITTEES**

As of the date of this Circular, there are no additional committees of the Board.

## **GENERAL MATTERS**

### **A. INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No director, nominee for election as a director, executive officer, employee or former director, executive officer or employee of the Company or any of its subsidiaries, or any of their associates or other member of management of the Company, was indebted to the Company at any time since the beginning of the most recently completed fiscal year ended December 31, 2021, of the Company or as at the date hereof, other than "routine indebtedness" as defined in applicable securities laws.

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

Except as disclosed in the Company's annual information form dated March 30, 2022, to the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed fiscal year ended December 31, 2021, or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, except as disclosed in this Circular or in a previous information circular of the Company.

For the above purposes, an "informed person" means (i) a director or executive officer of the Company, (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights, attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution, and (iv) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

### **C. EXTERNAL MANAGEMENT COMPANIES**

None of the management functions of the Company or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Company or a subsidiary.

### **D. RECEIPT OF SHAREHOLDER PROPOSALS FOR THE NEXT ANNUAL MEETING**

A registered holder or beneficial owner of Shares may (a) submit to the Company, Attention: Corporate Secretary at 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7 a notice of any matter that the person proposes to raise at the next annual meeting of Shareholders (a “**proposal**”); and (b) discuss at the meeting any matter in respect of which the person would have been entitled to submit a proposal, subject to the requirements under section 137 of the *Canada Business Corporations Act*. The Company shall set out such proposal and the accompanying supporting statement, if any, in the management information circular for the next annual meeting of Shareholders, provided that the proposal is submitted to the Company at least 90 days before the anniversary date of the notice of meeting that was sent to Shareholders in connection with the previous annual meeting of Shareholders.

### **E. AUDITORS AND TRANSFER AGENT**

The Company’s auditor is Zeifmans LLP, 201 Bridgeland Avenue, Toronto, ON, M6A 1Y7. Zeifmans LLP was first appointed as the Company’s auditor effective October 1, 2021.

The transfer agent and registrar of the Company is Computershare Investor Services Inc. through its principal offices in Vancouver, British Columbia.

### **F. ADDITIONAL INFORMATION**

Additional information with respect to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information with respect to the Company is provided in the Company’s financial statements and management discussion and analysis for its most recently completed fiscal year December 31, 2021. Shareholders can access this information on SEDAR under the Company’s profile or by request to the Corporate Secretary of the Company at the following address:

Almonty Industries Inc.  
100 King Street West  
Suite 5700  
Toronto, Ontario  
M5X 1C7

Phone: (647) 438-9766

### **G. APPROVAL**

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

May 26, 2022.

*(signed) “Lewis Black”*  
\_\_\_\_\_  
Lewis Black  
Chairman of the Board of Directors



## **SCHEDULE “A”**

### **MANDATE OF THE BOARD OF DIRECTORS**

**January 23, 2012**

The Board of Directors (the “Board”) of Almonty Industries Inc. (the “Corporation”) believes that the appropriate mix of skills, experience, age and gender will help to enhance its performance. The Board’s composition should reflect business experience compatible with the Corporation’s business objectives.

#### **Fiduciary Duty and Duty of Care**

The Board’s fundamental relationship with the Corporation is guided by a fiduciary principle that requires each director to act honestly and in good faith with a view to the best interests of the Corporation. In exercising their powers and discharging their duties, every director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. These principles require a director to put the Corporation’s interests first, avoid conflicts of interest and avoid exploiting business opportunities of the Corporation for self-interested purposes. This mandate is not intended to expand upon the standards of conduct prescribed under statutory or regulatory requirements for directors of a corporation.

The Board may designate the officers of the Corporation, specify their duties and delegate to them powers to manage the day to day business and affairs of the Corporation. In addition, the Board discharges its responsibilities through standing committees such as the Audit Committee and the Compensation and Corporate Governance Committee and may also periodically form special committees to address specific issues of a more short-term nature. The duties and responsibilities delegated to standing committees of the board are prescribed in the charters for such standing committees.

Additionally, absent actual knowledge to the contrary, the Board shall be entitled to rely on (i) the integrity of those persons or organizations within or outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided by such persons or organizations, and (iii) representations made by management and such persons or organizations in relation to any services provided by such persons or organizations to the Corporation and its subsidiaries.

#### **Meetings**

The Board shall meet at least four times annually, or more frequently, as circumstances dictate. In addition, the Board shall hold separate, regularly scheduled meetings of independent directors at which members of management are not present.

#### **Position Descriptions**

The Board shall develop clear position descriptions for directors, including the Chair of the Board and the Chair of each Board committee. Additionally, the Board, together with the Chief Executive Officer (“CEO”), shall develop a clear position description for the CEO, which includes defining management’s responsibilities. The Board shall also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.

#### **Responsibilities**

The Board is elected by the shareholders and represents all shareholders’ interests in continuously creating shareholder value. The responsibilities of the Board include the following:

- Advocate and support the best interests of the Corporation.

- Review and approve strategic, business and capital plans for the Corporation and monitor management's execution of such plans.
- Review whether specific and relevant corporate measurements are developed and adequate controls and information systems are in place with regard to business performance.
- Review the principal risks of the Corporation's business and pursue the implementation by management of appropriate systems to manage such risks.
- Monitor progress and efficiency of strategic, business and capital plans and require appropriate action to be taken when performance falls short of goals.
- Review measures implemented and maintained by the Corporation to ensure compliance with statutory and regulatory requirements.
- Select, evaluate and compensate the CEO.
- Annually review appropriate senior management compensation programs.
- Monitor the practices of management against the Corporation's disclosure policy to ensure appropriate and timely communication to shareholders of material information concerning the Corporation.
- Monitor safety and environmental programs.
- Monitor the development and implementation of programs for management succession and development.
- Approve selection criteria for new candidates for directorship.
- Provide new directors with a comprehensive orientation and provide all directors with continuing education opportunities.
- Assure shareholders of conformity with applicable statutes, regulations and standards (for example, environmental risks and liabilities and conformity with financial reporting requirements).
- Establish the necessary committees to monitor the Corporation.
- Regularly conduct assessments of the effectiveness of the Board, as well as the effectiveness and contribution of each Board committee and of each individual director.
- Provide advice to and act as a sounding board for the CEO.
- Discharge such other duties as may be required in the good stewardship of the Corporation.

The Board also assumes responsibility for the following approvals:

*Financial Approvals:*

- Strategic plan
- Annual business and capital plans
- Annual financial statements and auditors' report, together with management's discussion and analysis and press release
- Quarterly financial statements, together with management's discussion and analysis and press release
- Budgeted capital expenditures
- Unbudgeted capital expenditures in excess of \$50,000

- Acquisitions/divestitures
- Significant financing or refinancing opportunities
- Dividend policy
- Share re-purchase programs
- Individual operating, real property or capital leases having total commitment in excess of \$100,000

*Human Resources Approvals:*

- Appointment/succession/dismissal of CEO\*
- Compensation of CEO\*
- Executive compensation arrangements and incentive plans\*

*Administration and Compliance Approvals:*

- Appointment of members to the committees of the Board and the chairs of such committees
- Nomination of directors
- Recommendation of auditors to the shareholders\*
- Management information circular and related materials
- Appointment of the Chair of the Board
- Major policies\*

\* Board may delegate to committees

SCHEDULE "B"



300 – 1055 West Hastings Street  
Vancouver, BC, V6E 2E9  
Telephone: (604) 684-6264      Facsimile: (604) 684-6242

**NOTICE OF CHANGE OF AUDITOR**  
**Pursuant to National Instrument 51-102, Section 4.11**

At the request of Company, Davidson & Company, LLP, Chartered Professional Accountants, (**"Davidson"**), resigned as the Company's auditor effective October 1, 2021. The Company would like to extend its appreciation to Davidson for its tenure as Auditor of the Company.

There have been no reportable events between the Auditor and the Company, nor has there been any modified opinion contained in the Auditor's reports on the annual financial statements for the two fiscal years preceding the date of this Notice, nor any similar reservation contained in any Auditor's report or comments on interim financial information for any subsequent period preceding the date of this Notice.

The Audit Committee of the Company has recommended, and the Board of Directors has approved, the resignation of Davidson and the appointment of Zeifmans LLP, Chartered Professional Accountants, as the Company's new Auditor. Additionally, the Audit Committee and the Board of Directors have reviewed and approved the Reporting Package as that term is defined in National Instrument 51-102 Continuous Disclosure Obligations.

Dated October 1, 2021.

*/s/ "Lewis Black"*

Lewis Black,  
Chief Executive Officer

October 4, 2021

**Ontario Securities Commission  
British Columbia Securities Commission  
Alberta Securities Commission**

Dear Sirs:

**Re: Almonty Industries Inc. (the "Company")  
Notice Pursuant to Section 4.11 of National Instrument 51-102 - Change of Auditor**

In accordance with Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations*, we have read the Company's Change of Auditor Notice dated October 1, 2021, and agree with the information contained therein, based upon our knowledge of the information at this date.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours very truly,



DAVIDSON & COMPANY LLP



## SUCCEEDING AUDITOR LETTERHEAD

*October 4, 2021*

**Ontario Securities Commission**  
20<sup>th</sup> Floor, 20 Queen Street West  
Toronto, ON  
M5H 3S8

**British Columbia Securities Commission**  
PO Box 10142, Pacific Centre  
12th Floor, 701 West Georgia Street  
Vancouver, BC  
V7Y 1L2

**Alberta Securities Commission**  
4<sup>th</sup> Floor, 300 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3C4

Dear Sirs:

**Re: Almonty Industries Inc. (the “Company”)**  
**Notice Pursuant to Section 4.11 of National Instrument 51-102 - Change of Auditor**

In accordance with Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations* and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor dated October 1, 2021 (the “Notice”) and agree with the information contained therein, based upon our knowledge of the information relating to the said Notice and of the Company at this time.

We understand that the Notice, along with this letter and a similar letter from Davidson & Company LLP, Chartered Professional Accountants, will be provided to the Company's registered shareholders with the meeting materials relating to the Company's next Annual General Meeting of Shareholders.

Yours very truly,

*Zeifmans LLP*

**ZEIFMANS LLP,**  
**Chartered Professional Accountants**

## SCHEDULE "C"

### ALMONTY INDUSTRIES INC.

#### SECOND AMENDED AND RESTATED INCENTIVE STOCK OPTION PLAN

##### PART 1 INTERPRETATION

1.1 **Definitions.** In this Plan the following words and phrases shall have the following meanings, namely:

- (a) “**Board**” means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by Section 3.1 hereof;
- (b) “**Black-Out Option Expiry Date**” has the meaning ascribed thereto in Section 5.2;
- (c) “**Change of Control**” means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (d) “**Company**” means Almonty Industries Inc.;
- (e) “**Consultant**” means an individual, other than an Employee or Director of the Company, that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution of securities;
  - (ii) has provided services to the Company or an affiliate for a period of at least twelve (12) months, on a continuous basis;
  - (iii) provides the services under a written contract between the Company or the affiliate, and the individual;
  - (iv) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and
  - (v) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (f) “**Director**” means any director of the Company or of any of its subsidiaries;

- (g) “**Eligible Person**” means bona fide Employees, Consultants, Officers or Directors, or corporations employing or wholly owned by such Employees, Consultants, Officers or Directors;
- (h) “**Employee**” means any individual in the employment of the Company or any of its subsidiaries or of a company providing management or administrative services to the Company;
- (i) “**Exchange**” means the Toronto Stock Exchange and any other stock exchange on which the Shares are listed for trading;
- (j) “**Exchange Policies**” means, collectively, the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;
- (k) “**Expiry Date**” means not later than ten years from the date of grant of the option;
- (l) “**Insider**” has the meaning ascribed thereto in Exchange Policies;
- (m) “**Issuer Bid**” has the meaning ascribed thereto in the Securities Act;
- (n) “**Joint Actor**” means a person acting “jointly or in concert with” another person as that phrase is interpreted in accordance with Securities Laws;
- (o) “**Market Price**” shall mean the volume weighted average price at which the Shares have traded on the Exchange for the five trading days immediately preceding the date on which the Option is approved by the Board.
- (p) “**Offer**” has the meaning ascribed thereto in Section 6.3;
- (q) “**Officer**” means any senior officer of the Company or of any of its subsidiaries as defined in the Securities Act;
- (r) “**Optionee**” or “**Optionees**” means the recipient of an incentive stock option under this Plan;
- (s) “**Option Share**” has the meaning ascribed thereto in Section 6.3;
- (t) “**Plan**” means this second amended and restated incentive stock option plan as from time to time further amended;
- (u) “**Securities Act**” means the *Securities Act* (Ontario), as amended, from time to time;
- (v) “**Securities Laws**” means the act, policies, bylaws, rules and regulations of the securities commissions governing the granting of options by the Company, as amended from time to time;
- (w) “**Shares**” means the common shares of the Company; and
- (x) “**Take-over Bid**” has the meaning ascribed thereto in the Securities Act.



1.2 **Governing Law.** The validity and construction of the Plan shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein.

1.3 **Gender.** Throughout this Plan, words importing the masculine gender shall be interpreted as including all genders.

## **PART 2 PURPOSE OF PLAN**

2.1 **Purpose.** The purpose of this Plan is to attract and retain Employees, Consultants, Officers or Directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares.

## **PART 3 GRANTING OF OPTIONS**

3.1 **Administration.** This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.

3.2 **Committee's Recommendations.** The Board may accept all or any part of recommendations of the committee or may refer all or any part thereof back to the committee for further consideration and recommendation.

3.3 **Board Authority.** Subject to the limitations of the Plan, the Board shall have the authority to:

- (a) grant options to purchase Shares to Eligible Persons;
- (b) determine the terms, limitations, restrictions and conditions respecting such grants;
- (c) interpret the Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and
- (d) make all other determinations and take all other actions in connection with the implementation and administration of the Plan including without limitation for the purpose of ensuring compliance with Section 7.1 hereof as it may deem necessary or advisable.

3.4 **Grant of Option.** A resolution of the Board shall specify the number of Shares that should be placed under option to each Eligible Person; the exercise price to be paid for such Shares upon the exercise of each such option; any applicable hold period; and the period, including any applicable vesting periods required by Exchange Policies or by the Board, during which such option may be exercised.

3.5 **Written Agreement.** Every option granted under this Plan shall be evidenced by a written agreement substantially in the form attached hereto as Schedule "A", containing such terms and conditions as are required by Exchange Policies and Securities Laws, between the Company and the

Optionee and, where not expressly set out in the agreement, the provisions of such agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the agreement and the Plan, the terms of the Plan shall govern.

**3.6 Tax and Other Statutory Obligations.** To the extent the exercise of an option hereunder gives rise to any tax or other statutory withholding obligation (including, without limitation, income and payroll withholding taxes imposed by any jurisdiction), the Board may implement appropriate procedures to ensure that the tax withholding obligations are met. These procedures may include, without limitation, increased withholding from an Optionee's regular compensation, cash payments by an Optionee, or the sale of a portion of the Shares acquired pursuant to the exercise of an option, which sale may be required and initiated by the Board. Unless otherwise determined by the Board, any such procedure, including offering choices among procedures, will be applied consistently with respect to all similarly situated Optionees, except to the extent any procedure may not be permitted under the laws of the applicable jurisdiction.

#### **PART 4 RESERVE OF SHARES FOR OPTIONS**

**4.1 Sufficient Authorized Shares to be Reserved.** Whenever the Articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of options granted under this Plan. Shares that were the subject of options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.

**4.2 Maximum Number of Shares Reserved.** Unless authorized by shareholders of the Company, this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at any time, in the number of Shares reserved for issuance pursuant to stock options exceeding 10% of the issued and outstanding Shares of the Company (on a non-diluted basis) as at the date of grant of any stock option under the Plan.

**4.3 Limits with Respect to Insiders.** Unless authorized by the disinterested shareholders of the Company, the number of Shares:

- (a) issued to insiders of the Company within any one-year period; and
- (b) issuable to insiders of the Company, at any time,

under the Plan, or when combined with all of the Company's other security based compensation arrangements, cannot exceed 10% of the total issued and outstanding Shares, respectively.

#### **PART 5 CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS**

**5.1 Exercise Price.** The purchase price for Shares under each option shall not be less than the Market Price at the time of grant.

**5.2 Expiry Date.** Each option shall, unless sooner terminated, expire on a date to be determined by the Board which will not be later than the Expiry Date. Notwithstanding anything to the contrary herein, if the date on which an option expires occurs during or within nine business days after the last day of a trading black-out period imposed pursuant to the Company's insider trading policy (as may be amended from time to time), then the expiry date of such option shall be the date (a "**Black-Out Option Expiry Date**") that is 10 business days following the date of expiry of the trading black-out period. If a new trading black-out is imposed prior to the Black-Out Option Expiry Date, the Black-Out Option Expiry Date shall be the date that is 10 business days following the expiry of the new trading black-out period.

**5.3 Different Exercise Periods, Prices and Number.** The Board may, in its absolute discretion, upon granting an option under this Plan and subject to the provisions of Sections 5.1 and 6.3 hereof, specify a particular time period or periods following the date of granting the option during which the Optionee may exercise his option to purchase Shares and may designate the exercise price and the number of Shares in respect of which such Optionee may exercise his option during each such time period.

**5.4 Termination of Employment/Director.** If a Director, Officer, Consultant or Employee ceases to be so engaged by the Company for just cause (as determined by the Board, in its sole discretion) before the expiry date of such Optionee's option, the option granted to such Optionee shall thereupon cease and terminate and be of no further force or effect whatsoever. If a Director, Officer, Consultant or Employee ceases to be so engaged by the Company for any reason, other than just cause or death, before the expiry date of such Optionee's option, such Director, Officer, Consultant or Employee shall have the right to exercise any vested option not exercised prior to such termination within a period of thirty days after the date of termination, or such shorter period as may be set out in the Optionee's Option Agreement. For greater certainty, any option not vested at the date of such termination shall be immediately cancelled. For greater certainty, all options to purchase Shares granted prior to March 26, 2013 shall be deemed to have been amended so as to be subject to this Section 5.4 upon a Director, Officer, Consultant or Employee ceasing to be so engaged by the Company for any reason other than death.

**5.5 Death of Optionee.** If an Optionee dies prior to the expiry of his option, his heirs or administrators may within one year from the date of the Optionee's death exercise any vested option not exercised prior to the date of the Optionee's death. For greater certainty, any option not vested at the date of the Optionee's death shall be immediately cancelled.

**5.6 Assignment.** No option granted under the Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by provided for in Section 5.5.

**5.7 Notice.** Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company substantially in the form set out in Schedule "B" hereto.

**5.8 Payment.** Once vested, options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee on exercise of an option shall be paid for in full in cash at the time of their purchase.

**5.9 Conditions Precedent.** The Company's obligation to issue and deliver Shares under any option is subject to:

- (a) completion of such registration or other qualification of such shares or obtaining approval of such government authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such shares to listing on any stock exchange on which the Company's shares may then be listed; and
- (c) the receipt from the Optionee of such representations, agreements and undertakings as to future dealings in such Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

5.10 **Options to Employees or Consultants.** In the case of options granted to Employees or Consultants, the Optionee must be a bona-fide Employee or Consultant, as the case may be, of the Company or its subsidiary.

## **PART 6 CHANGES IN OPTIONS**

6.1 **Adjustment in Shares and Exercise Price.** In the event that:

- (a) there is any change in the Shares through subdivisions or consolidations of the share capital of the Company, or otherwise;
- (b) the Company declares a dividend out of the ordinary course on the Shares payable in Shares or securities convertible into or exchangeable for Shares; or
- (c) the Company issues Shares, or securities convertible into or exchangeable for Shares, in respect of, in lieu of, or in exchange for, existing Shares,

the number of Shares available for option, the Shares subject to any option, and the option exercise price thereof, shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of this Plan, subject to the prior consent of the Exchange (if such consent is required under the Exchange Policies).

6.2 **Merger, Amalgamation, Etc.** If there is a merger, statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all substantially all of the assets of the Company to another entity, upon the exercise of an option under this Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such merger, amalgamation, arrangement, separation or transfer if the holder had exercised the option immediately prior to such event, unless the directors of the Company otherwise determine the basis upon which such option shall be exercisable.

6.3 **Effect of a Take-Over Bid.** If there is a Take-over Bid or Issuer Bid (other than a "normal course" Issuer Bid) made for all or any of the issued and outstanding Shares (an "**Offer**"), then the Board may, by resolution, permit all options outstanding, vested and unvested, under the Plan to become immediately exercisable (subject to any limitations the Board may impose) in order to permit Shares issuable under such options to be tendered to such bid (such Shares, the "**Option Shares**").

**6.4 Acceleration of Expiry Date.** If an Offer is made, the Board may, upon notifying the Optionees of full particulars of the Offer, declare that the expiry date for the exercise of all unexercised options granted under the Plan is accelerated so that all options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

**6.5 Effect of a Change of Control.** If a Change of Control occurs, the Board may, by resolution, permit all Option Shares subject to each outstanding option to become vested, whereupon such option may be exercised in whole or in part by the Optionee.

## **PART 7 SECURITIES LAWS AND EXCHANGE POLICIES**

**7.1 Securities Laws and Exchange Policies Apply.** This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out from time to time in the Securities Laws and Exchange Policies and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern. In the event that the Company's listing changes from one tier to another tier on the Exchange or the Company's Shares are listed on a new stock exchange, the granting of options shall be governed by the rules and policies of such new tier or new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant options pursuant to the rules and policies of such new tier or new stock exchange without requiring shareholder approval.

## **PART 8 AMENDMENT OF PLAN**

**8.1 Amendments.** The Board may, subject to obtaining any required consent of the Exchange, at any time amend, modify or terminate this Plan if and when it is advisable in the discretion of the Board, provided however, shareholder approval shall be required in respect of:

- (a) any amendments to the maximum number of Shares reserved for issuance under the Plan;
- (b) any amendment which reduces the exercise price of an option that is held by an insider of the Company;
- (c) any amendment extending the term of an option held by an insider of the Company beyond its original expiry date except as otherwise permitted by the Plan;
- (d) any amendment which increases the limit on grants of options to insiders of the Company under the Plan;
- (e) the inclusion in the Plan of amendment provisions granting additional powers to the Board to amend the Plan or option entitlements thereunder without shareholder approval; and
- (f) amendments required to be approved by shareholders under applicable law (including, without limitation, Exchange Policies and Securities Laws).

Where shareholder approval is sought for amendments under subsections (b) (c) or (d) above, the votes attached to Shares held directly or indirectly by insiders of the Company benefiting from the amendment will be excluded.

Other than as specified above, the Board may approve all other amendments to the Plan or Options granted under the Plan. Without limiting the generality of the foregoing, the following types of amendments would not require shareholder approval:

- (a) amendments of a “housekeeping” or ministerial nature, including any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (b) amendments necessary to comply with the provisions of applicable law (including, without limitation, including, without limitation, Exchange Policies and Securities Laws);
- (c) the addition or modification of a cashless exercise feature, payable in securities or cash of the Company;
- (d) amendments respecting administration of the Plan;
- (e) any amendment to the vesting provisions of the Plan or any option;
- (f) any amendment to the early termination provisions of the Plan or any option, whether or not such option is held by an insider of the Company, provided such amendment does not entail an extension beyond the original expiry date;
- (g) amendments necessary to suspend or terminate the Plan; and
- (h) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, without limitation, Exchange Policies and Securities Laws).

## **PART 9 EFFECT OF PLAN ON OTHER COMPENSATION OPTIONS**

**9.1 Other Options Not Affected.** This Plan is in addition to any other existing stock options granted prior to and outstanding as at the date of the Plan and shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Consultants and Employees.

## **PART 10 OPTIONEE’S RIGHTS AS A SHAREHOLDER**

**10.1 No Rights Until Option Exercised.** An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon exercise of an option.

**PART 11**  
**EFFECTIVE DATE OF PLAN**

11.1 **Effective Date.** The Plan shall become effective upon the later of the date of acceptance for filing of the Plan by the Exchange or the approval of the Plan by the shareholders of the Company, however, options may be granted under the Plan prior to the receipt of approval by shareholders and acceptance from the Exchange.

## SCHEDULE "A"

### ALMONTY INDUSTRIES INC. INCENTIVE STOCK OPTION AGREEMENT

**INCENTIVE STOCK OPTION AGREEMENT** dated \_\_\_\_\_, between Almonty Industries Inc. (the "**Company**") and \_\_\_\_\_ (the "**Optionee**").

#### WHEREAS

A. In order to attract and retain employees, consultants, officers and directors of the Company and to motivate them to advance the interests of the Company, the Company has created an incentive stock option plan (the "**Plan**"); and

B. pursuant to the Plan, the Company has agreed to issue options under the Plan to the Optionee.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

1. **Grant of Options.** Pursuant to the Plan, the Company hereby grants to the Optionee who accepts \_\_\_\_\_ options (the "**Options**") to acquire common shares in the capital of the Company (the "**Shares**") at an exercise price of \$\_\_\_\_\_ per share upon the following terms and conditions.

2. **Vesting.** The Options will vest on \_\_\_\_\_.

3. **Expiry.** The Options will expire \_\_\_\_\_ years [*maximum of ten years*] after the date of the grant of the Options.

4. **Termination of Employment.** If the Optionee is a Director, Officer, Consultant or Employee (as defined in the Plan) and ceases to be so engaged by the Company for just cause (as determined by the Board, in its sole discretion) before the expiry date of such Optionee's option, the option granted to such Optionee shall thereupon cease and terminate and be of no further force or effect whatsoever. If a Director, Officer, Consultant or Employee ceases to be so engaged by the Company for any reason, other than just cause or death, before the expiry date of such Optionee's option, such Director, Officer, Consultant or Employee shall have the right to exercise any vested option not exercised prior to such termination within a period of thirty days after the date of termination, or such shorter period as may be set out in the Optionee's Option Agreement. For greater certainty, any option not vested at the date of such termination shall be immediately cancelled.

5. **Death of Optionee.** If the Optionee dies prior to the expiry of his Option, his heirs or administrators may within one year from the date of the Optionee's death exercise any vested option not exercised prior to the date of the Optionee's death.

6. **Assignment.** No option granted under the Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by provided for in Section 5.

7. **Notice.** Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company substantially in the form set out in Schedule "B" of the Plan.



8. **Payment.** Once vested, options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by the Optionee on exercise of an Option shall be paid for in full in cash at the time of their purchase.

9. **Conditions Precedent.** The Company's obligation to issue and deliver Shares under any option is subject to:

- (a) completion of such registration or other qualification of such shares or obtaining approval of such government authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such shares to listing on any stock exchange on which the Company's shares may then be listed; and
- (c) the receipt from the Optionee of such representations, agreements and undertakings as to future dealings in such Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

10. **Adjustment in Shares and Exercise Price.** In the event that:

- (a) there is any change in the Shares through subdivisions or consolidations of the share capital of the Company, or otherwise, the options (and the Shares available for each option) will be adjusted in accordance with the ASX Listing Rules and the TSX Company Manual;
- (b) the Company makes a pro rata issue of Shares to existing holders of Shares generally by way of a rights issue or entitlement offer, Optionee's can only participate if they exercise their Options before the record date of the pro rata offer;

11. **Merger, Amalgamation, Etc.** If there is a merger, statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all substantially all of the assets of the Company to another entity, upon the exercise of an option under this Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such merger, amalgamation, arrangement, separation or transfer if the holder had exercised the option immediately prior to such event, unless the directors of the Company otherwise determine the basis upon which such option shall be exercisable.

12. **Effect of a Take-Over Bid.** If there is a Take-over Bid or Issuer Bid (other than a "normal course" Issuer Bid) made for all or any of the issued and outstanding Shares (an "**Offer**"), then the Board may, by resolution, permit all options outstanding, vested and unvested, under the Plan to become immediately exercisable (subject to any limitations the Board may impose) in order to permit Shares issuable under such options to be tendered to such bid (such Shares, the "**Option Shares**").

13. **Acceleration of Expiry Date.** If an Offer is made, the Board may, upon notifying the Optionees of full particulars of the Offer, declare that the expiry date for the exercise of all unexercised options granted under the Plan is accelerated so that all options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

14. **Effect of a Change of Control.** If a Change of Control occurs, the Board may, by resolution, permit all Option Shares subject to each outstanding option to become vested, whereupon such option may be exercised in whole or in part by the Optionee.

15. **Certificate Subject to Terms of Plan.** The Optionee acknowledges that the terms and conditions of this Agreement are subject to the provisions of the Plan and Exchange Policies and Securities Laws as amended from time to time, which provisions are incorporated by reference into this Agreement. In the event of an inconsistency between the provisions of the Plan and this Agreement, the provisions of the Plan shall prevail. The Plan shall be available for review by the Optionee at the Company's records office.

All capitalized terms not defined in this Agreement have the meaning ascribed thereto in the Plan.

*[signature page follows]*

IN WITNESS WHEREOF, the Company and Optionee have caused this Agreement to be duly executed. This Option is granted on the date first stated above.

**ALMONTY INDUSTRIES INC.**

By: \_\_\_\_\_  
Authorized Signatory

**OPTIONEE**

\_\_\_\_\_  
Signature of Optionee

**SCHEDULE "B"**

**EXERCISE NOTICE**

**ALMONTY INDUSTRIES INC.**

The undersigned Optionee hereby subscribes for \_\_\_\_\_ common shares in the capital of Almonty Industries Inc. (the "**Company**") at a price of \$\_\_\_\_ per share, pursuant to the provisions of the Incentive Stock Option Agreement entered into between the undersigned and the Company on \_\_\_\_\_. The undersigned encloses cash in the amount of \$\_\_\_\_\_ in full payment for the shares purchased herein.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature of Optionee

\_\_\_\_\_  
Name of Optionee

\_\_\_\_\_  
Address of Optionee

## SCHEDULE "D"

### AMENDMENT TO BY-LAW NO. 1

a by-law relating generally to the transaction of the business and affairs of  
**ALMONTY INDUSTRIES INC.**  
(the "**Corporation**")

#### **ARTICLE 1** **DEFINITIONS AND PRINCIPLES OF INTERPRETATION**

##### **1.1 Definitions**

In this by-law and all other by-laws of the Corporation:

- (a) "**Act**" means the *Canada Business Corporations Act* or any statute which may be substituted therefor, including the regulations thereunder, as amended from time to time;
- (b) "**articles**" means the articles of the Corporation, as defined in the Act, and includes any amendments thereto;
- (c) "**board**" means the board of directors of the Corporation;
- (d) "**by-laws**" means the by-laws of the Corporation in force as amended or restated from time to time;
- (e) "**director**" means a director of the Corporation as defined in the Act;
- (f) "**meeting of shareholders**" means an annual meeting of shareholders or a special meeting of shareholders;
- (g) "**non-business day**" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada);
- (h) "**officer**" means an officer of the Corporation as defined in the Act; and
- (i) "**person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.

##### **1.2 Interpretation**

In this by-law and all other by-laws of the Corporation:

- (a) words importing the singular include the plural and vice-versa; and words importing gender include all genders; and
- (b) all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act or in the related Parts thereof.

## **ARTICLE 2 GENERAL BUSINESS**

### **2.1 Registered Office**

The registered office of the Corporation shall be in the province within Canada specified in the articles and at such place and address therein as the board may from time to time determine.

### **2.2 Seal**

The Corporation may have a seal which shall be adopted and may be changed by the board.

### **2.3 Financial Year**

Until changed by the board, the financial year of the Corporation shall end on the 30th day of September in each year.

### **2.4 Execution of Instruments**

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Corporation by any director or officer or as otherwise directed by the board.

### **2.5 Execution in Counterpart, by Facsimile, and by Electronic Signature**

- (a) Subject to the Act, any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by means of secure electronic signature (as defined in the Act) or facsimile;
- (b) any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed by one or more of such persons shall be an original and all such counterparts together shall constitute one and the same such instrument or document; and
- (c) subject to the Act, wherever a notice, document or other information is required under the Act or the by-laws to be created or provided in writing, that requirement may be satisfied by the creation and/or provision of an electronic document.

Notwithstanding the foregoing, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

### **2.6 Voting Rights in Other Bodies Corporate**

Any officer or director may execute and deliver proxies and take any other steps as in the officer's or director's opinion may be necessary or desirable to permit the exercise on behalf of the Corporation of voting rights attaching to any securities held by the Corporation. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

### **2.7 Banking Arrangements**

The banking business of the Corporation, or any part or division of the Corporation, shall be transacted with such bank, trust company or other firm or body corporate as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time and to the extent thereby provided.

## **ARTICLE 3 BORROWING**

### **3.1 Borrowing**

Without limit to the powers of the board as provided in the Act, the board may from time to time on behalf of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) to the extent permitted by the Act, give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee to secure the performance of an obligation or otherwise; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

### **3.2 Delegation**

Subject to the Act, the board may from time to time delegate to a director, a committee of directors, an officer or such other person or persons so designated by the board all or any of the powers conferred on the board by section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

## **ARTICLE 4 DIRECTORS**

### **4.1 Duties of Directors**

The board shall manage or supervise the management of the business and affairs of the Corporation.

### **4.2 Qualification**

At least twenty-five per cent of the directors of the Corporation must be resident Canadians. However, if the Corporation has less than four directors, at least one director must be a resident Canadian.

### **4.3 Eligibility Requirements at Meetings**

The board shall not transact business at a meeting, other than filling a vacancy in the board, unless at least twenty-five percent of the directors present are resident Canadians, or, if the Corporation has less than four directors, at least one of the directors present is a resident Canadian, except where

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) the required number of resident Canadian directors would have been present had that director been present at the meeting.

### **4.4 Quorum**

A majority of the number of directors in office from time to time or, in the event that there are less than four directors, one director shall constitute a quorum for the transaction of business at any meeting of the board. Notwithstanding vacancies, a quorum of directors may exercise all of the powers of the board.

#### **4.5 Calling of Meetings**

Meetings of the board shall be held from time to time at the registered office of the Corporation or at any other place within or outside Canada, on such day and at such time as the board, the chairperson of the board, the president or any two directors may determine.

#### **4.6 Notice of Meetings**

Notice of the time and place of each meeting of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held and need not be in writing. A notice of meeting need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including, if required by the Act, any proposal to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;
- (c) issue securities;
- (d) issue shares of a series under section 27 of the Act;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (g) pay a commission referred to in section 41 of the Act;
- (h) approve a management proxy circular referred to in Part XIII of the Act;
- (i) approve a take-over bid circular or directors' circular referred to in Part XVII of the Act;
- (j) approve any financial statements referred to in section 155 of the Act; or
- (k) adopt, amend or repeal by-laws.

#### **4.7 First Meeting of New Board**

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting following the meeting of shareholders at which such board is elected.

#### **4.8 Chairperson and Secretary**

The chairperson of the board or, in the chairperson's absence, the chief executive officer or, in the chief executive officer's absence, an executive officer shall be chairperson of any meeting of the board. If none of these officers are present, the directors present shall choose one of their number to be chairperson. The secretary of the Corporation shall act as secretary at any meeting of the board and, if the secretary of the Corporation is absent, the chairperson of the meeting shall appoint a person who need not be a director to act as secretary of the meeting.

#### **4.9 Votes to Govern**

At all meetings of the board, any question shall be decided by a majority of the votes cast on the question and, in the case of an equality of votes, the chairperson of the meeting shall ~~not~~ be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is required or demanded.



#### **4.10 Participation by Telephonic, Electronic or other Communication Facility**

Subject to the Act, if all of the directors of the Corporation consent, a director may participate in a meeting of directors or of a committee of directors by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director's consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board held while the director holds office. A director participating in a meeting by such means shall be deemed to be present at that meeting.

#### **4.11 Electronic Voting**

Subject to the Act, a director participating in a meeting by telephonic, electronic or other communication facility in accordance with section 4.9 may vote by means of such facility.

#### **4.12 Conflict of Interest**

A director or officer of the Corporation who is a party to a material transaction or material contract, or proposed material transaction or material contract with the Corporation, is a director or an officer of, or acts in a capacity similar to a director or officer of, or has a material interest in any person who is a party to a material transaction or material contract or proposed material transaction or material contract with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve any transaction. If a material transaction or material contract is made between the Corporation and one or more of its directors or officers, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which he has a material interest, the transaction is neither void nor voidable by reason only of that relationship, or by reason only that a director with an interest in the transaction or contract is present at or is counted to determine the presence of a quorum at a meeting of directors or committee of directors that authorized the transaction, if the director or officer disclosed his interest in accordance with the provisions of the Act and the transaction or contract was approved by the directors or the shareholders and it was reasonable and fair to the Corporation at the time it was approved.

### **ARTICLE 5 COMMITTEES**

#### **5.1 Audit Committee**

The directors shall appoint from among their number an audit committee whose composition and function will conform with applicable law. The audit committee shall have the functions provided in the Act.

#### **5.2 Other Committees**

The board may designate and appoint additional committees of directors and, subject to the limitations prescribed by the Act, may delegate to such committees any of the powers of the board.

#### **5.3 Procedure**

Subject to the Act and unless otherwise determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairperson and to regulate its procedure.

**ARTICLE 6  
OFFICERS**

**6.1 Appointment of Officers**

The board may from time to time designate the offices of the Corporation, appoint persons to such offices, specify their duties and, subject to any limitations prescribed in the Act, may delegate to them powers to manage the business and affairs of the Corporation.

**ARTICLE 7  
PROTECTION OF DIRECTORS AND OFFICERS**

**7.1 Limitation of Liability**

No director or officer shall be liable for:

- (a) the acts, receipts, neglects or defaults of any other director, officer, employee or agent of the Corporation or any other person;
- (b) any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by, for, or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be loaned out or invested;
- (c) any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation, including any person, firm or corporation with whom any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited;
- (d) any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation; or
- (e) any other loss, damage or misfortune whatever which may happen in the execution of the duties of the director's or officer's respective office or in relation thereto,

unless the same shall happen by or through the director's or officer's failure to exercise the powers and to discharge the duties of the director's or officer's office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or relieve such director or officer from liability for a breach of the Act.

**7.2 Indemnity of Directors and Officers**

- (a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such individual in respect of any civil, criminal or administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation may not indemnify an individual under paragraph (a) unless the individual:

- (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request, as the case may be; and
  - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful.
- (c) The Corporation shall advance moneys to such individual for the costs, charges and expenses of a proceeding referred to in paragraph (a) provided such individual agrees in advance, in writing, to repay the moneys if the individual does not fulfill the condition of paragraph (b).
- (d) If required by an individual referred to in paragraph (a), the Corporation shall seek the approval of a court to indemnify such individual or advance moneys under paragraph (c) in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour, to which such individual is made a party because of the individual's association with the Corporation or other entity as described in paragraph (a), against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfills the conditions set out in paragraph (b).
- (e) Notwithstanding paragraph (a), an individual referred to in paragraph (a) is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the Corporation or other entity as described in paragraph (a), if the individual seeking indemnity:
  - (i) was not adjudged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and
  - (ii) fulfills the conditions set out in paragraph (b).

### **7.3 Indemnification of Others**

Subject to the Act, the Corporation may indemnify its employees, agents and such other persons, other than those referred to in section 7.2, as the directors may determine.

### **7.4 Insurance**

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in section 7.1 against any liability incurred by such individual:

- (a) in the individual's capacity as a director or officer of the Corporation; or
- (b) in the individual's capacity as a director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

### **7.5 Indemnities Not Exclusive**

Each of the provisions of this Article 7 shall be in addition to and not in substitution for or derogation from any rights to which any person referred to herein may otherwise be entitled.

**ARTICLE 8  
MEETINGS OF SHAREHOLDERS**

**8.1 Annual Meetings**

Subject to the Act, the annual meeting of shareholders shall be held on such day and at such time in each year as the board, or the chairperson of the board, or the president in the absence of the chairperson of the board, may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

**8.2 Place of Meetings**

Subject to the Act, meetings of shareholders shall be held at such place within Canada as the directors shall determine or at such place outside Canada as may be specified in the articles or agreed to by all of the shareholders entitled to vote at the meeting.

**8.3 Notice of Meetings**

Subject to the Act, notice of the time and place of each meeting of shareholders shall be sent not less than 21 days nor more than 60 days before the meeting to each shareholder entitled to vote at the meeting, to each director and to the auditor of the Corporation.

**8.4 Participation in Meeting by Electronic Means**

Subject to the Act and the consent of the directors or all of the shareholders entitled to vote at the meeting, any person entitled to attend a meeting of shareholders may participate in the meeting by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means shall be deemed to be present at the meeting.

**8.5 Electronic Meetings**

Subject to the Act and the consent of the directors or all of the shareholders entitled to vote at the meeting, if the directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

**8.6 Chairperson and Secretary**

The chairperson of the board or, in the chairperson's absence, the president or, in the president's absence, a vice-president shall be chairperson of any meeting of shareholders. If none of these officers are present within 15 minutes after the time appointed for holding the meeting, the persons present and entitled to vote shall choose a chairperson from amongst themselves. The secretary of the Corporation shall act as secretary at any meeting of shareholders or, if the secretary of the Corporation be absent, the chairperson of the meeting shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by resolution or by the chairperson with the consent of the meeting.

**8.7 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders shall be those persons entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.

## **8.8 Quorum**

A quorum of shareholders is present at a meeting of shareholders, if the holders of 25% of the shares entitled to vote at the meeting are present in person or represented by proxy, provided that a quorum shall not be less than two persons. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

## **8.9 Shareholder Representatives**

A body corporate or association which is a shareholder of the Corporation may be represented at a meeting of shareholders by any individual authorized by a resolution of its directors or governing body and such individual may exercise on behalf of the body corporate or association which such individual represents all the powers it could exercise if it were an individual shareholder.

## **8.10 Time for Deposit of Proxies**

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours, exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, it shall have been received by the secretary of the Corporation or by the chairperson of the meeting or any adjournment thereof prior to the time of voting.

## **8.11 Voting**

Any question at a meeting of shareholders shall be decided by a show of hands unless a ballot is required or demanded. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands has been taken upon a question, unless a ballot is so required or demanded, a declaration by the chairperson of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution.

## **8.12 Ballots**

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairperson may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner as the chairperson shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which each person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon that question.

## **8.13 Electronic Voting**

- (a) Notwithstanding section 8.11, any person participating in a meeting of shareholders by telephonic, electronic, or other communication facility in accordance with section 8.4 and entitled to vote at the meeting may vote by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.
- (b) Any vote referred to in section 8.11 or 8.12 may be held entirely by means of a telephonic, electronic or other communication facility if the Corporation makes available such a communication facility, provided, in each case, that the facility:

- (i) enables the votes to be gathered in a manner that permits their subsequent verification; and
- (ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each shareholder or group of shareholders voted.

#### **8.14 Casting Vote**

In case of an equality of votes at any meeting of shareholders either upon a show of hands or upon a ballot, the chairperson of the meeting shall not be entitled to a second or casting vote.

### **ARTICLE 9 SHARES/SECURITIES**

#### **9.1 Issuance**

Subject to the Act and the articles, the board may from time to time issue or grant options to purchase, or authorize the issue or grant of options to purchase, any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine or authorize, provided that no share shall be issued until it is fully paid.

#### **9.2 Securities Records**

The Corporation shall maintain a register of shares and other securities in which it records the shares and other securities issued by it in registered form, showing with respect to each class or series of shares and other securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;
- (b) the number of shares or other securities held by each holder; and
- (c) the date and particulars of the issue and transfer of each share or other security.

#### **9.3 Transfer Agents and Registrars**

The directors may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers of transfers. One person may be appointed both registrar and transfer agent and the board may at any time terminate any such appointment.

#### **9.4 Non-recognition of Trusts**

Subject to the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect thereof and otherwise to exercise all the rights and powers of an owner of a share.

#### **9.5 Security Certificates**

Security certificates shall be signed by at least one of the following persons:

- (a) any director or officer of the Corporation;
- (b) a registrar, transfer agent or branch transfer agent of the Corporation or an individual on their behalf; or

- (c) a trustee who certifies it in accordance with a trust indenture.

Signatures may be printed or otherwise mechanically reproduced on the security certificates and every such signature shall for all purposes be deemed to be the signature of the person whose signature it reproduces and shall be binding upon the Corporation. If a security certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the security certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the security certificate is as valid as if the person were a director or an officer at the date of its issue.

## **ARTICLE 10 DIVIDENDS AND RIGHTS**

### **10.1 Dividends**

Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

### **10.2 Dividend Cheques**

A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at such holder's address recorded in the Corporation's securities register, unless in each case such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their address recorded in the securities register of the Corporation. The mailing of such cheque, in such manner, unless the cheque is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

### **10.3 Non-receipt of Cheques**

In the event of non-receipt or loss of any dividend cheque by the person to whom it is sent, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt or loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

### **10.4 Unclaimed Dividends**

Any dividend unclaimed after a period of two years from the date on which the dividend has been declared to be payable shall be forfeited and shall revert to the Corporation.

## **ARTICLE 11 MISCELLANEOUS**

### **11.1 Timing of Delivery of Notices**

- (a) Any notice, document or other information delivered to a director, officer, shareholder, auditor or member of a committee of the board by prepaid mail or personal delivery in accordance with the Act shall be deemed to be received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the addressee did not receive the notice, document or other information at that time or at all.
- (b) Subject to the Act, wherever a notice, document or other information is provided to a person in the form of an electronic document in accordance with section 2.5, such document shall be deemed to have been provided at the time it leaves an information system within the control of the originator

or another person who provided it on behalf of the originator, and shall be deemed to have been received when it enters the information system designated by the addressee.

## 11.2 Waiver of Notice

Any shareholder (or such shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the provision of any notice or document, or waive or abridge the time for any notice or document, required to be provided to such person under any provision of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the provision or in the timing of such notice or document, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board, which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

## 11.3 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise based thereon.

## 11.4 Invalidity

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

## 11.5 Effective Date

This by-law shall come into force upon the continuance of the Corporation under the Act.

## 11.6 Repeal

All other by-laws of the Corporation shall be repealed upon the coming into effect of this by-law. However, such repeal shall not affect the previous operation of such by-law or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to such by-law prior to its repeal. All officers and persons acting under such repealed by-law shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or board with continuing effect passed under such by-law shall continue in force until amended or repealed, except to the extent inconsistent with this by-law.

Approved by shareholders, without variation, on \_\_\_\_\_, 2022.

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M. Lewis Black,  
CEO