



**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF
SHAREHOLDERS**

AND

INFORMATION CIRCULAR

of

NANO ONE MATERIALS CORP.

to be held on

August 1, 2024

Dated June 21, 2024



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NOTICE OF ANNUAL GENERAL & SPECIAL MEETING

Notice is hereby given that the Annual General & Special Meeting (the “**Meeting**”) of the shareholders of **Nano One Materials Corp.** (“**Nano One**” or the “**Company**”) will be held on **Thursday, August 1, 2024**, by teleconference or in person at Suite 2900 - 550 Burrard St, Vancouver, British Columbia, Canada, at **1:30 p.m.** (local time in Vancouver) for the following purposes:

1. To receive the annual financial statements of the Company for its fiscal year ended December 31, 2023, together with the auditor’s reports thereon;
2. To elect directors for the ensuing year;
3. To appoint Davidson & Company LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing financial year and to authorize the directors to set the auditor’s remuneration;
4. To consider, and if thought advisable, pass with or without variation, an ordinary resolution approving the unallocated options, rights or other entitlements issuable under the Company’s Omnibus Equity Incentive Plan, as more particularly described in the accompanying information circular; and
5. To transact any other business that may properly come before the Meeting.

Shareholders are strongly urged to vote on the matters before the Meeting by completing the accompanying form of proxy (“Proxy”) or voting instruction form (“VIF”) and to attend in the Meeting by teleconference by dialing 1-866-811-9555 (Participant Code: 7478017#).

Nano One is using the notice and access method (“**Notice and Access**”) under the Canadian Securities Administrators’ National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* for delivery of this notice and related management information circular (the “**Meeting Materials**”) to its shareholders. The Meeting Materials are available on Nano One’s website at <https://nanoone.ca/investors/agm> and under the Company’s profile on SEDAR+ at www.sedarplus.ca.

The Company will also mail paper copies of the Meeting Materials to those registered and beneficial shareholders who have previously elected to receive or otherwise request paper copies of the Meeting Materials. All other shareholders of the Company will receive a notice and access notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Requesting Printed Meeting Materials

Shareholders wishing to receive paper copies of the Meeting Materials can request them from the Company by calling Computershare Investor Services Inc. (Computershare) by phone at 1-800-564-6253 (North American toll free) or 1-514-982-7555 (International) or by email at info@nanoone.ca. The Company will mail paper copies of the Meeting Materials to requesting shareholders at no cost to them within three business days of their request, if such requests are made no later than July 12, 2024.



Paper copies of the Meeting Materials requested on or after the date of the Meeting will be sent to you within 10 calendar days after receiving the request. Requests for paper copies of the Meeting Materials can be made until one year following the Meeting.

Voting Process

You have the right to vote if you were a shareholder of the Company at the close of business on June 19, 2024. Shareholders are referred to the management information circular (the “**Circular**”) dated June 21, 2024, accompanying this Notice for more detailed information with respect to the matters to be considered at the Meeting and for the full text of the resolutions.

Eligible shareholders are encouraged to vote your proxy by phone, mail, or internet so that as large a representation as possible may be had at the Meeting. You will need the control number contained in the accompanying Proxy in order to vote. Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a VIF.

Shareholders who cannot attend the Meeting in person may vote by proxy if a registered shareholder or provide voting instructions if a non-registered shareholder.

If you are a registered shareholder of the Company and are unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc. **The deadline for receiving duly completed and executed proxy forms or submitting your proxy by telephone or over the internet is by 1:30pm (Pacific time) on July 30, 2024, or no later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time set for the Meeting or any adjournment or postponement of the Meeting.** The Chair of the Meeting may accept or reject any late proxies and can waive or extend the deadline for receiving proxy voting instructions without notice.

To vote by mail, complete the form of proxy and return it in the envelope provided to:

Computershare Investor Services Inc.
Attention: Proxy Department
100 University Avenue, 8th Floor
Toronto, Ontario Canada M5J 2Y1

If you are a non-registered shareholder and a non-objecting beneficial owner, and receive a VIF from Computershare, please complete and return the form in accordance with the instructions. If you do not complete and return the form in accordance with such instructions, you may lose your right to vote at the Meeting, either in person or by proxy.

If you are a non-registered shareholder and an objecting beneficial owner and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. If you do not complete and return the materials in accordance with such instructions, you may lose your right to vote at the Meeting, either in person or by proxy.

DATED at Vancouver, British Columbia, this 21st day of June 2024.

BY ORDER OF THE BOARD

“Dan Blondal”
Dan Blondal, CEO



INFORMATION CIRCULAR

(all information as at June 21, 2024, unless otherwise noted)

VOTING INFORMATION

Please carefully read this section of the Circular, as it contains important information explaining how shareholders can vote in advance of the Meeting and how shareholders and duly appointed proxyholders can vote at the Meeting in real time.

PERSONS MAKING THE SOLICITATION

This Management's Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies being made by the management of Nano One Materials Corp. ("**Nano One**" or the "**Company**") for use at the Annual General and Special Meeting of the Company's shareholders (the "**Meeting**") to be held on Thursday, June 27, 2024, at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by Directors, Officers, and employees of the Company at nominal cost. All costs of this solicitation will be borne by the Company.

QUORUM AND APPROVAL

As set out in the Company's articles, a quorum for the transaction of business at any meeting of shareholders must have at least two people present at the Meeting who hold, or represent by proxy, in aggregate, at least 25% of the outstanding common shares of the Company. Shareholders who participate in or vote at the Meeting virtually are deemed to be present at the Meeting for all purposes, including quorum.

VOTING DETAILS AND INSTRUCTIONS

Your vote is important. Whether or not you plan to attend the Meeting, please vote as soon as possible by one of the methods described below to ensure that your common shares are represented and voted at the Meeting.

You have the right to vote if you were a shareholder of the Company at the close of business on June 19, 2024 (the "**Record Date**"). Shareholders are referred to the Circular for more detailed information with respect to the matters to be considered at the Meeting and for the full text of the resolutions. You can vote in advance of the Meeting, you can vote at the Meeting, both online or in person, or you can appoint a third party (proxyholder or appointee) to attend the Meeting, both online and in person, and vote your common shares for you.

How you vote depends on whether you are a registered shareholder ("**Registered Shareholder**") or a non-registered shareholder ("**Beneficial Shareholder**"). You are a **Registered Shareholder** if the common shares that you own are registered directly in your name as reflected in the records of our transfer agent, Computershare Trust Company of Canada ("**Computershare**"). You are a Beneficial Shareholder if the common shares that you own are held by an intermediary, generally being a bank, trust company, investment dealer, clearing agency or other institution. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository for Securities Inc., which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares for the brokers' clients. If you are not sure whether you are a Registered Shareholder or a Beneficial Shareholder, please contact Computershare by phone at 1-800-564-6253 (North American toll free) or 1-514-982-7555 (International) or by email at service@computershare.com.

If you were a Registered Shareholder at the close of business on the Record Date, you can vote in advance of the Meeting by submitting your form of proxy (the “**Proxy**”). You can vote your Proxy in the following ways:



By phone: Please refer to the enclosed Proxy for the toll-free number, holder’s account number and the proxy access number and follow the instructions of the voice response system. You will need your 15-digit control number which is located on your Proxy/voting instruction form. **If you vote by telephone, you cannot appoint anyone other than the Directors named on your Proxy as your proxyholder.**



By internet: Submit your Proxy through the website of the Company’s transfer agent at www.investorvote.com and follow the instructions that appear on the screen, referring to the enclosed Proxy for holder’s account number and proxy access number. You will need your 15-digit control number which is located on your Proxy.



By mail: Complete, sign and date your Proxy and return it to Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, in the envelope provided.

Copies of the Notice of Meeting, this Circular, and any other related documents (collectively, the “**Meeting Materials**”) are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

The Company is taking advantage of provisions in NI 54-101 that permit it to deliver proxy-related materials directly to NOBOs who have not waived the right to receive them (and is not sending proxy-related materials using Notice-and-Access, defined below). As a result, NOBOs can expect to receive a Voting Instruction Form (“**VIF**”) together with the Notice of Meeting, this Circular, and related documents from the Company’s transfer agent Computershare or other intermediary. These VIFs are to be completed and returned in accordance with the instructions provided. **NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs.**

NOBOs may submit a VIF by using one of the following methods:



By phone: Please refer to the enclosed VIF for the toll-free number and follow the instructions of the voice response system. You will need your 15-digit control number which is located on your VIF.



By internet: Submit your VIF through the website of the Company’s transfer agent at www.proxyvote.com and follow the instructions that appear on the screen, referring to the enclosed VIF. You will need your 15-digit control number which is located on your VIF.



By mail: Complete, sign and date your VIF and return it to Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, in the envelope provided.

NOBOS that wish to change their vote must contact Computershare to arrange to change their vote in sufficient time in advance of the Meeting.

In accordance with the requirements of NI 54-101, we have distributed the “**Meeting Materials**” to the clearing agencies and intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge to forward the Meeting Materials to OBOs. Together with the Meeting Materials, intermediaries or their service companies should provide OBOs with a “request for voting instruction form” which, when properly completed and signed by such OBO and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own. The Company does not intend to pay for an intermediary to deliver the Meeting Materials to OBOs and OBOs will not receive the Meeting Materials and voting instruction form unless their intermediary assumes the costs of delivery. **OBOs should carefully follow the instructions of their intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. OBOs that wish to change their vote must contact their intermediary to arrange to change their vote in sufficient time in advance of the Meeting.**

APPOINTMENT OF PROXYHOLDERS

The individuals named in the accompanying Proxy are Directors or Officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy may only be appointed by internet or by mail, and will not be valid by mail unless it is completed, dated, signed and mailed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or is delivered to the chair of the Meeting prior to the commencement of the Meeting.

Beneficial Shareholders should note that only Registered Shareholders (or duly appointed proxyholders) may complete a Proxy or vote at the Meeting in person.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO’s name (or such other person as the NOBO wishes to attend and vote on the NOBO’s behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided or the NOBO must submit to the Company any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxyholder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a proxyholder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxyholder as aforesaid the Company must deposit the proxy within the timeframe specified above for the



deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time. **If a NOBO or a nominee of the NOBO is approved as a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

Should an OBO wish to vote at the Meeting in person, the OBO must insert the OBO's name (or such other person as the OBO wishes to attend and vote on the OBO's behalf) in the blank space provided for that purpose on the request for voting instruction form and return the completed request for voting instruction form to the intermediary or its service provider or the OBO must submit, to their intermediary, any other document in writing that requests that the OBO or a nominee of the OBO be appointed as proxyholder. In such circumstances an intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxyholder in respect of those securities. Under NI 54-101, if an intermediary appoints an OBO or the nominee of the OBO as a proxyholder as aforesaid, the OBO or nominee of the OBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an intermediary who appoints an OBO or its nominee as proxyholder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the intermediary obtains the instructions at least one (1) business day before the termination of that time. **If the OBO or a nominee of the OBO is appointed a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

Registered Shareholders and duly appointed proxyholders will have an equal opportunity to participate in the Meeting by telephone by dialing 1-866-512-0904 (Participant Code: 7478017). Beneficial Shareholders who have not duly appointed themselves as proxyholders may also attend as guests. Guests will be able to listen to the Meeting but will not be able to vote or ask questions during the Meeting.

REVOCATION OF PROXIES

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized Officer or attorney of the corporation, and delivered either to the registered office of the Company, at 2900 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof. **Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF COMMON SHARES AND PROXIES AND EXERCISE OF DISCRETION

VOTING BY POLL

Voting at the Meeting will be by poll only if a poll is requested by a shareholder present at the Meeting in person or by proxy, directed by the Chair or required by law because the number of common shares represented by proxy that are to be voted against the motion is greater than 5% of the Company's issued and outstanding common shares.

On a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.



APPROVAL OF RESOLUTIONS

To approve a motion for an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required; to approve a motion for a special resolution, a majority of not less than two-thirds of the votes cast on the resolution will be required.

VOTING OF PROXIES AND EXERCISE OF DISCRETION BY PROXYHOLDERS

A shareholder may indicate the manner in which the persons named in the accompanying form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy on any ballot that may be called for.**

If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of proxy. It is intended that the proxyholder named by management in the accompanying form of proxy will vote the common shares represented by the proxy in favour of each matter identified in the Proxy.

The accompanying Proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.

PROCESSING THE VOTES

Computershare, or its authorized agents, will count and tabulate the votes on the Company's behalf. The voting results of the Meeting will then be announced by news release after the Meeting and a report will be filed on SEDAR+.

NOTICE-AND-ACCESS

The Company has elected to use the "notice-and-access" provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access** ") for delivery of the Meeting Materials to registered and beneficial shareholders. The Notice-and-Access provisions reduce the volume of materials that the Company must physically print and mail to its shareholders by allowing the Company to post its Management Information Circular in respect of the Meeting and related materials online, reducing printing and postage costs. The Company believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy related materials.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a Notice and Access notification containing details of the Meeting date, location, and purpose, as well as information on how to access the Meeting Materials electronically. Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials.

The Company will not employ what is known as "stratification." Stratification occurs when a reporting issuer using Notice-and-Access provisions provides a paper copy of their information circular with the notice to certain groups of shareholders. For the Meeting, all shareholders will receive the Meeting Materials under the Notice-and-Access provisions. The Company will only mail paper copies of the Meeting Materials to



those registered and beneficial shareholders who have previously elected to receive or otherwise request paper copies of the Meeting Materials. All other shareholders of the Company will receive a notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Meeting materials are available electronically under the Company's profile at www.sedarplus.ca and also at <https://nanoone.ca/investors/agm>.

Shareholders wishing to receive a paper copy of the Meeting Materials or those who have questions about notice-and-access, can call 1-800-564-6253 (North American toll free) or 1-514-982-7555 (International) or by email at info@nanoone.ca. The Company advises that a shareholder's request for paper copies of the Circular and other relevant information will need to be received prior to July 12, 2022, in order for such shareholder to have sufficient time to receive and review the materials requested and return the completed form of proxy as set forth in this Circular. Paper copies of the Meeting Materials requested on or after the date of the Meeting will be sent to you within 10 calendar days after receiving the request.

In order to receive a paper copy of the Circular and other relevant information, requests by shareholders may be made up to one year from the date the Circular was filed on SEDAR+ by: (i) mailing a request to the Company at Unit 101B, 8575 Government Street, Burnaby, BC, V3N 4V1, Attention: Corporate Secretary; (ii) calling the Company at 604-420-2041; or (iii) by emailing the Company at info@nanoone.ca.

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GENERAL INFORMATION

Unless otherwise stated, information in this Circular is as of June 20, 2024. All dollar amounts referenced in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Company has issued and outstanding 111,291,982 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities and does not have any classes of restricted securities.

Any shareholder of record at the close of business on June 19, 2024, who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, will be entitled to vote or to have such shareholder's common shares voted at the Meeting.

To the best of the knowledge of the Directors and executive Officers of the Company, there are no persons who, or corporations which, beneficially own, or exercise control or direction over, directly, or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares.

MATTERS TO BE ACTED UPON AT THE MEETING

FINANCIAL STATEMENTS

The financial statements of the Company for the year ended December 31, 2023, and the auditors' report thereon accompanying this Circular will be placed before the shareholders at the Meeting. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice to Computershare. The financial statements of the Company for the year ended December 31, 2023, are filed on SEDAR+.

ELECTION OF DIRECTORS

The term of office of each of the present Directors expires at the Meeting. **The persons named below will be presented for election at the Meeting.** Each Director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following sets out the names of the nominees for election to the Board of Directors (the "Board"), the province or state and country in which each is ordinarily resident, the period or periods during which each has served as a Director, their present principal occupations, meeting attendance, bios and the number of common shares of the Company or any of its subsidiaries beneficially owned, or controlled or directed by each, directly or indirectly, as at the date hereof. **Unless otherwise instructed, the Management Proxyholders appointed pursuant to the accompanying proxy form will vote FOR the election of the nominated directors.**

Some of the director nominee information that follows has been furnished by the individual nominees, including their province or state of residence, principal occupation and business or employment.

Paul Matysek, Executive Chair	Principal Occupation During Last Five Years
Vancouver, BC, Canada	The Company's Chair since March 2015.
Age: 67	Executive Chair Freeman Gold Corp. since Sept 2021.
Director since: January 29, 2012	
Board/Committee Membership	2024 Attendance⁽¹⁾
Board of Directors	8 of 8 - 100%
HRCC	2 of 2 – 100%

Other Public Company Board Memberships ⁽²⁾	Ownership or Control Over Voting Shares Held
Nevada King Gold Corp.;	2,480,430 ⁽²⁾
Freeman Gold Corp.; LithiumBank Resources Corp.; Planet X II Capital Corp. (a capital pool company); Planet X Capital Corp. (a capital pool company).	
<p>Mr. Matysek is a serial entrepreneur with over 40 years of experience in the mining industry. Since 2004 as either CEO or Executive Chairman, Mr. Matysek has sold 6 publicly listed exploration and development companies, in aggregate worth over \$2 billion. Most recently as CEO, Mr. Matysek sold Gold X Mining to Gran Columbia Gold Corp in an all share deal for \$315 million. In the lithium he was Executive Chairman of Lithium X Energy Corp., which was sold to Nextview New Energy Lion Hong Kong Limited for \$265 million in cash. Mr. Matysek was awarded EY Entrepreneur of the Year for Mining & Resources in 2018.</p> <p>Notes: 1. The PCGC was split into two committees in Sept. 2023, being the Nominating and Governance Committee and the Human Resources and Compensation Committee. 2. Capital Pool Company's require a minimal time commitment. Mr. Matysek's board memberships have not interfered with his ability to be a fully engaged Chair for Nano One. 2. Mr. Matysek holds 1,752,380 Common Shares directly. 728,050 Common Shares are held indirectly by Mr. Matysek through Bedrock Capital Corporation, a company controlled by Mr. Matysek.</p>	

Gord Kucec, Lead Director	Principal Occupation During Last Five Years
Vancouver, BC, Canada Age: 62 Director since: September 7, 2021	Independent Board Director with Nano One (Lead Director since 2021), Intelligent City (2020-present), Solshare Energy (2018- 2023) and BC Ferries (2014-2022).
Board/Committee Membership ⁽¹⁾	2023 Attendance
Board of Directors	8 of 8 – 100%
Audit Committee	4 of 4 – 100%
PCGC	4 of 4 – 100%
N&GC	1 of 1 – 100%
HRCC	2 of 2 – 100%
Other Public Company Board Memberships	Ownership or Control Over Voting Shares Held
None	433,903 ⁽²⁾
Bio	
<p>Mr. Kucec is an independent board director with extensive experience as a board director and senior corporate officer focused on innovation for multiple public corporations in diverse industries. In addition to Nano One, Mr. Kucec currently serves on the board of Intelligent City and until recently served as a board director for BC Ferries Services and Solshare Energy. With degrees and certifications in economics, business, board governance, clean tech, IT and cybersecurity, Mr. Kucec is focused on how organizations and their stakeholders adapt plans and governance to emerging environmental and technological developments. Previous roles served include CIO for Canadian Airlines, Global Advisory Committee member for IATA and Corporate Vice President, Customer Relationship Management and Information Systems at Creo Inc.</p> <p>Notes: 1. The PCGC was split into two committees in Sept. 2023, being the Nominating and Governance Committee and the Human Resources and Compensation Committee. 2. Mr. Kucec holds 433,903 Common Shares directly and has control or direction over an additional 132,500 Common Shares, 74,000 of which are held jointly with Mr. Kucec's spouse and 58,500 which are held solely by his spouse.</p>	

Dan Blondal	Principal Occupation During Last Five Years
Vancouver, BC, Canada Age: 59 Director since: March 5, 2015	The Company's CEO since March 2015.
Board/Committee Membership	2023 Attendance
Board of Directors	8 of 8 - 100%
Other Public Company Board Memberships	Ownership or Control Over Voting Shares Held
None	1,672,970
Bio	
Mr. Blondal has 30+ years of experience as a professional engineer, managing high growth technology in a career that has spanned materials handling, medical devices, industrial printing, nuclear fusion, and materials science. He has led Nano One since 2011 and is recognized as a thought leader in lithium-ion battery materials. Prior to that, Mr. Blondal honed his skills in a wide range of technology leadership roles at Creo, Kodak and General Fusion, including globally recognized expertise as a 15-year veteran in print quality systems, engineering, marketing and business.	

Lyle Brown, Independent	Principal Occupation During Last Five Years
Vancouver, BC, Canada Age: 70 Director since: March 5, 2015	Partner of Culver & Co., an accounting firm.
Board/Committee Membership	2023 Attendance
Board of Directors	8 of 8 – 100%
Audit Committee, Chair	4 of 4 – 100%
Other Public Company Board Memberships	Ownership or Control Over Voting Shares Held
None	257,102
Bio	
Mr. Brown is a CPA, CA and holds a Bachelor of Commerce from the University of British Columbia. He has been a partner since 1991 in the accounting firm of Culver & Co. in Vancouver, British Columbia, serving clients in a wide range of industries, and is familiar with the reporting requirements of public companies. Mr. Brown has also served on numerous boards of directors for both private and public companies.	

Carla Matheson, Independent	Principal Occupation During Last Five Years
Victoria, BC, Canada Age: 38 Director since: December 15, 2021	Independent consultant and advisor. Chief Financial Officer of Tiny Capital from August 2017- March 2021.
Board/Committee Membership	2023 Attendance¹
Board of Directors	8 of 8 – 100%
Audit Committee	4 of 4 – 100%
PCGC, Co-Chair	4 of 4 – 100%
HRCC, Chair	2 of 2 – 100%
Other Public Company Board Memberships	Ownership or Control Over Voting Shares Held
Tiny Ltd. (TSX-V)	8,400

Bio

Ms. Matheson is a Chartered Professional Accountant (CPA, CA) with over ten years of experience in a variety of industries, specializing in business development, mergers and acquisitions and financial reporting for public and private corporations. Ms. Matheson is currently the Chief Financial Officer of Plank Ventures Ltd., an investment company targeting investments and business opportunities in the technology arena, with a focus on early-stage start-up companies that have developed a customer and revenue base and are seeking funding for expansion and serves as a director on the board at Tiny (formerly WeCommerce), which is listed on the TSX Venture Exchange. Additionally, Ms. Matheson completed the Institute of Corporate Directors (ICD) course on March 4, 2024.

Notes: 1. The PCGC was split in to two committees in Sept. 2023, being the Nominating and Governance Committee and the Human Resources and Compensation Committee.

Lisa Skakun, Independent

Vancouver, BC, Canada

Age: 54

Director since: June 15, 2022

Principal Occupation During Last Five Years

Chief Legal, Regulatory and Corporate Affairs Officer of Coast Capital Savings Federal Credit Union since July 2018.

Board/Committee Membership

Board of Directors

PCGC, Co-Chair

N&CG, Chair

2023 Attendance ⁽¹⁾

8 of 8 - 100%

4 of 4 – 100%

2 of 2 – 100%

Other Public Company Board Memberships

None

Ownership or Control Over Voting Shares Held

4,150

Bio

Ms. Skakun is a lawyer and executive with over 20 years of experience in a variety of private and public industries. Currently the Chief Legal, Regulatory and Corporate Affairs Officer of Coast Capital Savings Federal Credit Union, Ms. Skakun is responsible for all legal, mergers and acquisitions, public affairs, financial crimes risk management and corporate governance functions. Ms. Skakun has her LLB from the University of British Columbia, a Master of Laws degree in business law from Osgoode Hall Law School at York University, and also holds her ICD.D designation from the Institute of Corporate Directors. Previously, Ms. Skakun was a Chair of the BC Business Law Section of the Canadian Bar Association, and was also a member of the Securities Law Advisory Committee for the British Columbia Securities Commission.

Notes: 1. The PCGC was split into two committees in Sept. 2023, being the Nominating and Governance Committee and the Human Resources and Compensation Committee.

Joseph Guy, Non-Independent

North Carolina, USA

Age: 65

Director since: March 5, 2015

Principal Occupation During Last Five Years

Patent Agent since 1992. Patent Filing Specialists Inc. since 2018.

Board/Committee Membership

Board of Directors

2023 Attendance

8 of 8 - 100%

Other Public Company Board Memberships

None

Ownership or Control Over Voting Shares Held

228,759

Bio

Dr. Joseph Guy is the President of Patent Filing Specialist, Inc. and a Patent Agent focusing on complex technologies including material science, electronic components, pharmaceuticals and medical products. He has more than 23 years of experience prosecuting patents and serving as an expert witness on intellectual property matters. Dr. Guy was awarded a Ph.D. in Chemistry from the University of Wisconsin-Milwaukee in physical inorganic chemistry with a focus on organometallic complexes. Dr. Guy

has authored numerous references in peer-reviewed journals and has written and prosecuted over 2000 U.S. and foreign patent applications, with more than 600 issued U.S. Patents and numerous foreign patents.

Board Diversity

The Company recognizes the value of diversity among its Directors and Management and has adopted a *Diversity Policy* as part of the Company's efforts to create a diverse team and an inclusive corporate culture that considers and solicits various perspectives, free of bias and discrimination. A copy of the Diversity Policy is available on the Company's website. The Company is committed to maintaining a qualified and knowledgeable Board and considers a variety of diversity criteria in bringing expertise and perspectives to the Board.

At present, the Board is comprised of 29% women directors (2 out of 7), which is 1% below the 30% guidance set by certain shareholder advisory services. At last year's shareholder meeting, these shareholder advisory services recommended withholding votes from both Ms. Skakun and Ms. Matheson as the Co-Chairs of the People, Compensation, and Governance Committee because the Company did not meet the 30% threshold of female Directors, which could have potentially led to having the females on the Board needing to resign pursuant to the Majority Voting Policy. The Board has considered the guidance of these shareholder advisory services and at the current stage of the Company, the Board believes its composition is adequate. However, the Board reassesses this regularly, has a Diversity Policy and will consider adding additional diversity when it aligns with the business needs and functions of the Board. This could include measures such as implementing targets specifically aimed at enhancing representation from designated groups.

When assessing Board composition, the emphasis is on ensuring a range of experiences and skills necessary for overseeing the Company, taking a balanced approach to personal characteristics. The principal focus is on the ensuring the Board has the diverse experiences, skills and backgrounds needed in the present to oversee collectively the business of the Company, and the Company takes a balanced approach when considering the extent to which personal characteristics are considered. The Company values diversity by considering the knowledge, experience, skills, and backgrounds of director candidates in light of the Board's and the Company's present needs, without focusing on a single diversity characteristic.

The Nominations and Governance Committee ("N&GC") is responsible for reviewing the size and composition of the Board, making recommendations as to the number of independent directors and advising the Board on filling vacancies. The N&GC Committee is also responsible for recommending suitable candidates for nomination for election or appointment as director and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for potential directors. In recruiting new directors, search efforts go beyond current Board members' networks to include a reasonable proportion of qualified candidates. The Board maintains an ongoing list of potential director candidates, ensuring it includes qualified and knowledgeable members of designated groups.

Advance Notice Provisions

As of the date of this Circular, the Company has not received notice of any additional director nominations in connection with the Meeting. A copy of the Advance Notice provisions for the nomination of directors in certain circumstances is available on Nano One's website.

Majority Voting Policy

The Board of Nano One believes that each Director should have the confidence and support of the shareholders of the Company. To this end, the Board has unanimously adopted a Majority Voting Policy (the "**Policy**") and future nominee Directors for election to the Board will be required to confirm that they will abide by this Policy.

Under the terms of the Policy, in an uncontested election of Directors at a shareholders' meeting, the votes cast in favour of the election of a Director nominee must represent a majority (50% plus one vote) of the

common shares voted and withheld for the election of the Director. If that is not the case, the Director nominee is required to promptly tender his or her resignation for consideration by the balance of the Board.

In the absence of exceptional circumstances, it is expected that the Board will accept the resignation in a time frame consistent with the interest of the Company and in any event within 90 days from the date of the relevant shareholders' meeting. The resignation will be effective when accepted by the Board. A Director who tenders a resignation under this Policy will not participate in any Board or committee meeting at which the resignation is considered. A copy of this Policy is available on the Company's website (www.nanoone.ca).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the proposed Directors (or any of their personal holding companies) of the Company:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a Director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:
 - (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days while that person was acting in the capacity as Director, Chief Executive Officer or Chief Financial Officer; or
 - (ii) was subject to a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a Director, Chief Executive Officer or Chief Financial Officer in the Company and which resulted from an event that occurred while that person was acting in the capacity as Director, executive Officer or Chief Financial Officer; or
- (b) is as at the date of this Circular or has been within the 10 years before the date of this Circular, a Director or executive Officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

To the knowledge of the Company, none of the proposed Directors (or any of their personal holding companies) has been subject to:

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

APPOINTMENT OF INDEPENDENT AUDITOR

Shareholders will be asked to approve the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the external independent auditor of the Company to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Directors. The auditor was first appointed on March 5, 2015. The fees paid to the external independent auditor over the last two fiscal years are set out on page 30 of this Circular.



The Board recommends that shareholders vote FOR the appointment of Davidson & Company LLP as the Company's auditor for the Company's financial year ending December 31, 2024, at a remuneration to be fixed by the Board.

APPROVAL OF UNALLOCATED OPTIONS, RIGHTS AND OTHER ENTITLEMENTS UNDER THE COMPANY'S OMNIBUS EQUITY INCENTIVE PLAN

On June 18, 2021, the Company's Board approved an Omnibus Equity Incentive Plan ("Equity Incentive Plan") which replaced the Company's 2017 amended and restated stock option plan (the "Option Plan") which was first approved by the shareholders on June 26, 2017. Notwithstanding the foregoing, pursuant to the terms of the Equity Incentive Plan, all outstanding options granted under the Option Plan will be governed by the Omnibus Plan, unless the Option Plan is more beneficial, in which case the terms of the Option Plan will apply for the benefit of the option holder.

Management is seeking shareholder approval for all unallocated options, rights or other entitlements issuable under the Equity Incentive Plan in accordance with and subject to the rules and policies of the Toronto Stock Exchange (the "TSX"). Additional summary information about the Equity Incentive Plan is on page 24 under the heading "EQUITY INCENTIVE PLAN". The full text of the Company's Option Plan and Equity Incentive Plan is available on the Company's website at: <https://nanoone.ca/our-company/governance/>.

The intention of the Equity Incentive Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and consultants, to reward such of those Directors, employees and consultants as may be granted awards under this Equity Incentive Plan by the Board from time to time for their contributions. Further, the purpose of the Equity Incentive Plan is to align Directors, employees and consultants with the interests of shareholders and the long-term goals and success of the Company and to also enable and encourage such Directors, employees and consultants to acquire common shares as long-term investments and proprietary interests in the Company. It is proposed that under the Equity Incentive Plan, the aggregate number of common shares reserved for issuance pursuant to awards granted under the Equity Incentive Plan (including the remaining predecessor options granted under the 2017 Option Plan) shall not exceed 10% of the Company's total issued and outstanding common shares from time to time.

As at December 31, 2023, 11,126,678 common shares represented 10% of the outstanding common shares of the Company. As at the date of this Circular, 11,129,198 common shares represent 10% of the outstanding common shares of the Company. The aggregate number of outstanding securities awarded under the Equity Incentive Plan and the 2017 Option Plan currently stands at 3,471,268, representing 3.1% of Nano One's total issued and outstanding common shares. The aggregate number of common shares remaining available for future issuance under the Equity Incentive Plan would be 7,657,930, representing 6.9% of Nano One's total issued and outstanding common shares.

The Equity Incentive Plan complies with the current policies of the TSX, and all capitalized terms below that are not defined in this Circular have the meanings given to them in the TSX Company Manual.

Limitations on Awards

If and for so long as the Company's common shares are listed on the TSX:

- i. the number of Nano One common shares issuable to insiders, at any time, under the Equity Incentive Plan (including any predecessor options granted under the 2017 Option Plan), shall not exceed 10% of the total number of issued and outstanding Nano One common shares on a non-diluted basis; and
- ii. the number of Nano One common shares issuable to insiders, within any one-year period, under the Equity Incentive Plan (including any predecessor options granted under the 2017 Option Plan), shall not exceed 10% of the total number of issued and outstanding Nano One common shares on a non-diluted basis.

Additionally, in any year, under the terms of the Equity Incentive Plan and any other compensation plan that may be in place from time to time, the maximum annual individual non-executive Director limit shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of stock options; excluding



awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a Director upon such Director joining the Board).

Shareholder Approval

The holders of common shares of the Company will be asked to approve the unallocated options, rights or other entitlements issuable under the Equity Incentive Plan at the Meeting. The text of the resolution approving the unallocated options, rights or other entitlements issuable is set out below. In order to be passed, this resolution must be approved by at least a majority of the votes cast by shareholders represented in person or by proxy at the meeting.

If the foregoing resolution is not approved by shareholders at the Meeting, all unallocated options, rights or other entitlements issuable under the Equity Incentive Plan will be cancelled and the Company will not be permitted to grant any further awards. However, all awards thereunder as at July 31, 2024, will continue unaffected.

Recommendation of Management and the Board

The Board has determined that approving the unallocated options, rights or other entitlements issuable under the Equity Incentive Plan is in the best interests of the Company and its shareholders. Accordingly, the Company requests that its shareholders pass an ordinary resolution in the following terms:

“WHEREAS:

1. the Board of Directors of the Company adopted on June 18, 2021, the Omnibus Equity Incentive Plan (the “**Equity Incentive Plan**”) which does not have a fixed maximum number of common shares issuable;
2. the shareholders of the Company approved the Equity Incentive Plan, by a majority of votes cast, on October 14, 2021;
3. the rules of Toronto Stock 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.

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. all unallocated options, rights or other entitlements issuable under the Omnibus Equity Incentive Plan of the Company (the “Equity Incentive Plan”) are hereby authorized, approved and ratified until the earlier of (i) the date of the 2027 annual meeting of shareholders of the Company, and (ii) August 1, 2027;
2. upon the valid exercise of any awards granted under the Equity Incentive Plan, including the payment of the applicable exercise price, the underlying common shares in the capital of Company shall be issued from treasury as fully paid and non-assessable common shares of the Company; and
3. any Director or Officer of the Company is authorized and directed, for and on behalf of the Company, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such Officer may deem necessary or desirable in order to carry out the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.”



STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

The following provides a summary of compensation paid, directly or indirectly, for each of the three most recently completed fiscal years, to the Directors, and to the following persons (collectively, the “**Named Executive Officers**” or “**NEOs**”):

- a) each individual who, in respect of the Company, during any part of the most recently completed fiscal year, served as Chief Executive Officer (“**CEO**”), including an individual performing functions similar to a CEO;
- b) each individual who, in respect of the Company, during any part of the most recently completed fiscal year, served as Chief Financial Officer (“**CFO**”), including an individual performing functions similar to a CFO;
- c) in respect of the Company and its subsidiaries, each of the three most highly compensated executive Officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed fiscal year whose total compensation was more than \$150,000; and
- d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive Officer of the Company, and was not acting in a similar capacity, at the end of that fiscal year.

Based on the foregoing definitions, the Company's NEO's in respect of the year ended December 31, 2023, were: Dan Blondal, CEO; Dan Martino, CFO until January 15, 2024; Alex Holmes, Chief Operating Officer (“**COO**”); Denis Geoffroy, Chief Commercialization Officer (“**CCO**”); Stephen Campbell, Chief Technical Officer (“**CTO**”); and Paul Matysek, Executive Chair.

COMPENSATION DISCUSSION AND ANALYSIS

Objectives of the Compensation Program

With respect to the overall objectives of the company's compensation practices, and taking into consideration its current stage of development, the Company determines the specific amounts of compensation to be paid to each of the NEOs based on a number of factors, including the following: (a) the Company's understanding of the amount of compensation generally paid by similar companies to the NEOs with similar roles and responsibilities; (b) the NEOs' performance during the fiscal year; (c) their respective duties and responsibilities; (d) attracting, retaining and motivating high quality and high performing NEOs of the Company; (e) aligning the interests of the NEOs of the Company with shareholders and the Company as a whole; (f) be based on established corporate and individual performance objectives; (g) not encouraging the taking of inappropriate or excessive risks.

Market comparisons as well as evaluation of similar positions in the same industry and in the same geography are also considered in determining compensation levels. Following a review of such criteria and the recommendations of what was for 2023, the PCGC (defined below, now the Human Resources and Compensation Committee (the “**HRCC**”)), the Board determines compensation amounts and methods as it sees fit and reasonable based on the committee's recommendation.

The Board's objective in establishing compensation levels is to attract, retain, and motivate qualified individuals to serve as Executive Officers of the Company. This is done to drive their performance in achieving the Company's strategic objectives and to align their interests with both the short-term and long-term goals of the Shareholders. Additionally, these compensation strategies are aimed at preserving cash flows, ensuring that the Company not only continues to meet its strategic goals but also pursues cash flow positive and profitable operations for the benefit of the Company and its Shareholders.

While Nano One strives to align compensation principles for all employees, NEO compensation has an additional emphasis on “pay-at-risk” to ensure closer alignment with shareholder interests, long term value and reward for impact and outcomes. This shareholder alignment is in part achieved through award opportunities that result in ownership of our common shares.



The HRCC generally considered the following elements of compensation – base salary, benefits, registered retirement savings plan (“RRSP”) benefits contributions, short term incentives (“STI”) and long-term incentives (“LTI”). STI will be cash consideration and LTI will be time vested Restricted Share Units (“RSUs”). For 2023, executive STI and LTI awards will be based on target amount as % of salary, corporate annual objective achievement and, where applicable, individual objective achievement.

ELEMENTS OF COMPENSATION

Base Salary

Base compensation is used to provide the NEO with a set salary level during the year with the expectation that he/she will perform his/her responsibilities to the best of his/her ability and in the best interests of the Company. Benchmarking the executive salary was determined based on the stage of the development of the Company, which was particularly challenging as the Company is at a pre-revenue stage. As such, the Company’s compensation philosophy was to target approximately the 40th percentile of the market. Additionally, the Company’s compensation philosophy focuses on the contribution of the NEOs while also aligning compensation with value created for shareholders.

The base salary of each NEO is reviewed annually. The base salary assessment and annual revisions, if any, to each NEO’s base salary are made in accordance with the compensation structure and stage of development of the Company. Base salary and annual revisions are approved by the Board after reviewing the recommendations of the HRCC.

Variable Compensation – Short-Term Incentive

Due to the stage of the Company’s business, it emphasized linking a significant portion of the executive total pay to corporate and individual performance metrics. The Company provides short-term variable compensation as an incentive for performance. Each executive has a specified short-term incentive (“STI”) target bonus as a percentage of the base salary and will be measured against certain corporate performance metrics measured on an annual basis at the outset of each calendar year. An additional cash bonus above the targeted percentage may be awarded to reward extraordinary performance that has led to increased value for shareholders through the formation of new strategic or joint venture relationships and/or capital raising efforts. The STI percentages for 2023 are demonstrated below. During the year ended December 31, 2023, the Company paid STIs of \$473,922 to its NEOs relating to fiscal 2022 performance and accrued STIs of \$404,763 to its NEOs for fiscal 2023 performance, which was settled subsequent to December 31, 2023, by way of a stock option grant.

Position	STI Target
CEO	50%
COO	45%
CTO	305%
CCO	37%

For the fiscal year 2023, the HRCC recommended to the Board the approval of STI allocations to the NEOs as the Company met 95% of its corporate goals in 2022, as they relate to joint development programs, commercialization advancements, technology development, governance, capital markets, financing, institutional investors and brand recognition.

Variable Compensation – Long-Term Incentive

The Company’s granting of stock options, restricted share units (“RSU”), or performance share units (“PSU”) or equivalent (collectively, “incentive units”), to NEOs under the Company’s Omnibus Equity Incentive Plan (“Equity Incentive Plan”) provides a link between management compensation and the Company’s share price. It also rewards management for achieving results that improve Company performance and thereby increases shareholder value. In making a determination as to whether a grant of incentive units is appropriate, and if so, the number of incentive units that should be granted, the Board will

consider: the number and terms of outstanding incentive units held by the NEO; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Equity Incentive Plan and the TSX.

The Company generally expects future incentive grants should be based on the following factors: (i) the terms and conditions of the employment agreements of the NEO; (ii) the NEO's past performance; (iii) the NEO's anticipated future contribution; (iv) the incentive grants to such NEO; (v) the level of vested and unvested stock options or incentive units; (vi) the Company's overall performance and the NEO's contribution thereto; and (vii) the market practices and the NEO's responsibilities and performance. The Company has not set specific target levels for the granting of stock options or incentive units to NEOs but seeks to be competitive with similar companies. For a summary of the main terms and conditions of the Company's Equity Incentive Plan, see "Equity Incentive Plan" below.

Long-term incentive ("LTI") awards issued to NEOs for 2022 were issued as RSUs, which the Board believes provides better alignment between the NEOs and shareholders and is in keeping with recommended best practices.

Similar to STIs, each NEO has a specified target LTI expressed as a percentage of base salary, as follows:

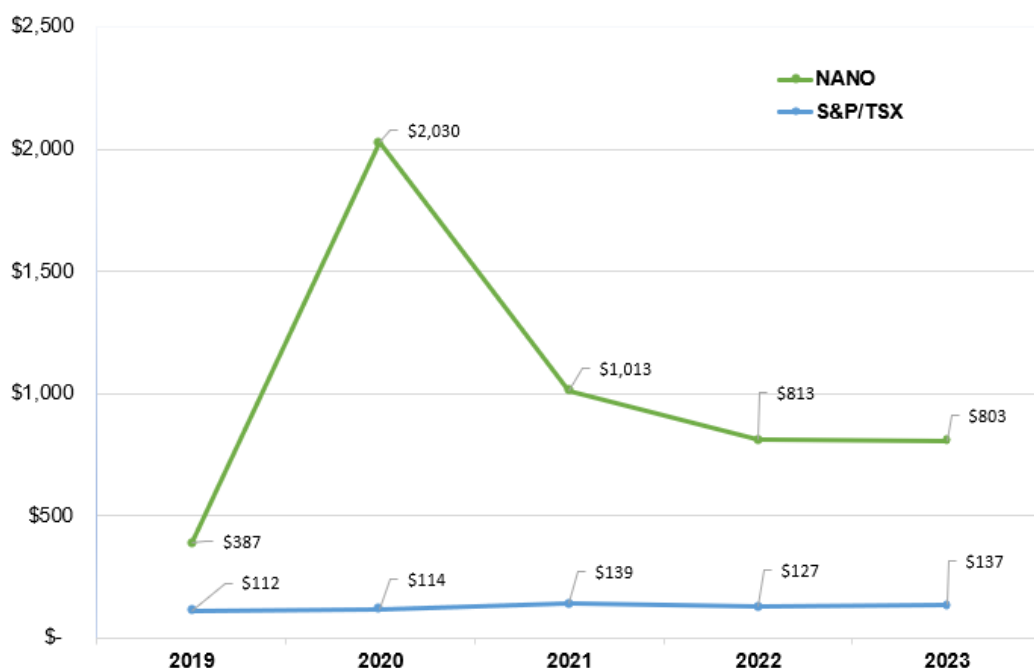
Position	LTI Target
CEO	80%
COO	60%
CTO	35%
CFO	25%
CCO	46%

Annual Savings Plan -& GRSP Benefits Contributions

The Company had established an annual savings program with the intention of providing a cash dollar amount in lieu of Registered Retirement Saving Plan (RRSP). Under their respective employment terms or the Company's compensation structure, certain NEOs were eligible to receive a discretionary annual cash incentive based on 5% of their annual base salary as part of the Company's Annual Savings Program. In March 2023, this program annual savings plan was transition to a group retirement savings plan ("GRSP") provided by the Company's benefits provider to align with practices at the Company's acquitted subsidiary in Quebec. Under the new GRSP, participation is voluntary for eligible NEOs, with the Company's contribution matching limit set at \$12,500 per year. All Company contributions are taxable.

Performance Graph

The following graph compares the cumulative total return on a \$100 investment in Common Shares of the Company made on December 31, 2019, to the cumulative total return on the S&P/TSX Composite Index until December 31, 2023 (as of December 31 in each of the five (5) previously completed fiscal year-ends).



There is no direct correlation between the trend of the Company's share performance evidenced by the table above and the Company's compensation to the NEOs over the period of reference. The stock prices of companies within the Company's industry can be volatile and subject to various market conditions. Rather than being based on the performance of the Company's share price, the trend of the Company's compensation to NEOs has evolved positively to reflect the achievement of important developments and milestones to the Company and the Company's overall financial and operational performance. It should also be noted that the Company's Common Shares commenced trading on the Toronto Stock Exchange on June 8, 2021.

COMPENSATION GOVERNANCE

In September 2023, the Board split the responsibilities of the People, Compensation, and Governance Committee (the "PCGC") and established two distinct committees to manage the increasing workload: 1) the Nominations and Governance Committee (the "N&GC"); and 2) the HRCC (Human Resources and Compensation Committee). The HRCC is tasked with (a) reviewing and recommending for Board approval the corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives; (b) discussing and establishing non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and (c) reviewing executive compensation disclosure before the Company publicly discloses this information.

The members of the HRCC are Carla Matheson (Committee Chair, independent), Gord Kukec (independent), and Paul Matysek (non-independent, ex-officio). Each of the members of the HRCC has experience with employment and compensation matters, having served as Officers and Directors of various private and public companies. Director's compensation is reviewed by the N&GC and recommended to the Board of Directors, who has the ultimate authority to approve. The members of the N&GC are Lisa Skakun (Committee Chair, independent), and Gord Kukec (independent).

The Company has also adopted a Compensation Recovery Policy that provides for the recovery of short- and long-term incentive awards if an NEO is determined to be responsible for fraud, misconduct or negligence that results in the Company having to materially restate previously issued financial, technical or operational results; or if an NEO has engaged in fraud, theft, embezzlement, serious misconduct (including conduct that would qualify as cause for termination of employment at common law) or negligence, regardless if there was a material restatement. A copy of the Compensation Recovery Policy can be found on the Company's website at: <https://www.nanoone.ca/our-company/governance/>.

SUMMARY COMPENSATION TABLE

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO for services provided and for services to be provided, directly or indirectly, to the Company, for each of the Company's three (3) most recently completed fiscal years:

Name and principal position	Year	Salary, management fee, or professional fee (\$)	Share-based awards ⁽⁷⁾ (\$)	Option-based awards ⁽⁴⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽⁵⁾	Long-term incentive plans			
Dan Blondal, CEO and Director ⁽¹⁾	2023	348,000	193,084	Nil	184,770	Nil	Nil	Nil	725,854
	2022	307,950	160,741	Nil	181,135	Nil	Nil	Nil	649,826
	2021	267,900	159,874	232,091	120,000	Nil	Nil	Nil	779,865
Dan Martino, CFO ⁽²⁾	2023	220,000	27,693	Nil	Nil	Nil	Nil	Nil	247,693
	2022	172,865	24,751	Nil	Nil	Nil	Nil	Nil	197,616
	2021	117,925	35,970	140,957	Nil	Nil	Nil	Nil	293,150
Alex Holmes COO	2023	295,000	157,345	Nil	125,875	Nil	Nil	Nil	578,220
	2022	265,000	102,370	Nil	114,120	Nil	Nil	Nil	481,490
	2021	235,000	266,455	309,455	Nil	Nil	Nil	Nil	810,910
Stephen Campbell, CTO	2023	226,000	55,385	Nil	55,385	Nil	Nil	Nil	336,770
	2022	212,000	49,501	Nil	59,400	Nil	Nil	Nil	320,901
	2021	198,000	59,952	185,673	45,000	Nil	Nil	Nil	488,625
Denis Geoffroy CCO ⁽³⁾	2023	283,925	134,864	Nil	Nil	Nil	Nil	Nil	418,789
	2022	47,321	Nil	N/A	N/A	N/A	N/A	N/A	47,321
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Matysek, Executive Chairman and Director ⁽⁶⁾	2023	150,000	300,000	Nil	Nil	Nil	Nil	Nil	450,000
	2022	150,000	150,000	Nil	Nil	Nil	Nil	Nil	300,000
	2021	150,000	127,898	139,255	Nil	Nil	Nil	Nil	417,153

Notes:

- (1) Mr. Blondal receives no compensation for his services as Director.
- (2) CFO compensation is paid to a firm in which Mr. Martino is a principal. Mr. Martino was appointed CFO on January 20, 2020 and resigned from his role as CFO on January 15, 2024.
- (3) Mr. Geoffroy was appointed as CCO on November 1, 2022, and had received a prior grant of stock options as an advisor to the Company.
- (4) The value of stock options granted to NEOs was estimated using the Black-Scholes option pricing model for establishing the fair value of stock options based on the following weighted average assumptions:

	December 31, 2023	December 31, 2022	December 31, 2021
Risk-free interest rate	N/A	N/A	0.4%
Expected life of stock options (years)	N/A	N/A	3.4
Historical volatility	N/A	N/A	73.6%

- (5) Represents a non-equity cash bonus.
- (6) Includes amounts paid or accrued to a private corporation controlled by Mr. Matysek for consulting services rendered.
- (7) Represents awards of RSUs or DSUs.



External Management Companies

The NEOs who provide executive management services to the Company through external management companies are Mr. Martino who provides CFO services through Donaldson Brohman Martin, CPA Inc. (a private public practice firm in which Mr. Martino is a principal), and Mr. Matysek who provides Executive Chairman services through Bedrock Capital Corp. (a private corporation that is controlled by Mr. Matysek).

INCENTIVE PLAN AWARDS TABLE

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued, and outstanding to NEOs and/or Directors as at and during the most recently completed fiscal year ended December 31, 2023, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Name	Option-based Awards					Share-based Awards		
	Date of issue	Number of securities underlying unexercised Options ⁽¹⁾	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dan Blondal, CEO and Director ⁽³⁾	Feb. 1, 2021	300,000	5.10	Feb. 1, 2024	Nil	108,856	262,343	30,797
Dan Martino, CFO ⁽³⁾	Feb. 1, 2021	120,000	5.10	Feb. 1, 2024	Nil	17,047	41,083	Nil
Alex Holmes COO ⁽³⁾	Feb. 1, 2021	400,000	5.10	Feb. 1, 2024	Nil	92,967	224,050	Nil
Stephen Campbell, CTO ⁽³⁾	Feb. 1, 2021	240,000	5.10	Feb. 1, 2024	Nil	33,137	79,860	Nil
Denis Geoffroy CCO ⁽³⁾	Dec. 2, 2021	75,000	3.14	Dec. 2, 20214	Nil	41,117	99,092	Nil
Paul Matysek, Chairman and Director ⁽³⁾⁽⁴⁾	Feb. 1, 2021	180,000	5.10	Feb. 1, 2024	Nil	90,678	218,534	214,919

Notes:

- (1) One common share is issuable on the exercise of each stock option. All stock options are fully vested. The stock options expiring on February 1, 2024, expired unexercised.
- (2) The closing price of the Company's Common Shares on December 31, 2023, was \$2.41.
- (3) On March 17, 2023, the Company granted 219,016 RSUs to NEOs at a fair value of \$3.28 each.
- (4) On October 10, 2023, the Company granted 51,370 DSUs to Mr. Matysek at a fair value of \$2.92 each.

The following table sets forth, for each NEO, the value of all awards vested and earned during the fiscal year ended December 31, 2023:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dan Blondal, CEO and Director ⁽¹⁾	Nil	\$178,727	N/A

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dan Martino, CFO ⁽¹⁾	Nil	\$30,102	N/A
Stephen Campbell, CTO ⁽¹⁾	Nil	\$53,101	N/A
Alex Holmes, COO ⁽¹⁾⁽²⁾	\$26,138	\$167,840	N/A
Denis Geoffroy, CCO ⁽¹⁾⁽²⁾	\$21,247	\$64,377	N/A
Paul Matysek, Chair and Director ⁽¹⁾	Nil	\$297,181	N/A

Notes:

- (1) All RSUs granted to NEOs vest in three equal installments on an annual basis concluding on dates ranging between October 14, 2023, to March 17, 2026. The RSUs were fair valued at prices equal to the closing market price on the preceding the date of grant, which is the value used to determine the value vested over time. The closing price of the Company's Common Shares on December 31, 2023, was \$2.41.
- (2) Amount relates to stock options granted to Mr. Holmes that vest one-third annually concluding on February 1, 2024, and to stock options granted to Mr. Geoffroy that vested one-quarter every six months until December 2, 2023.

PENSION PLAN BENEFITS

The Company does not have a pension plan that provides for payments or benefits to a Director or NEO. In lieu of a pension plan, the Company has established the Annual Savings Program, see “Compensation and Analysis” above.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The figures within the employment and consulting agreements discussed below are as of the date of this Statement of Executive Compensation.

Employment: The Company has an executive employment agreement with Dan Blondal, CEO and Director for a base salary of \$29,000 per month (\$348,000 annually). Pursuant to this employment agreement, in the case of termination by the Company without cause, Dan Blondal is entitled to six (6) weeks’ base pay (or notice) for every year of service to a maximum of twenty-four (24) months. He would not be entitled to further bonus payments after termination. In the case of resignation after a Change of Control and for Good Reason, Mr. Blondal is entitled to twenty-four (24) months’ base salary.

The Company has an executive employment agreement with Alex Holmes, COO, for a base salary of \$24,583 per month (\$295,000 annually). Pursuant to this employment agreement, in the case of termination by the Company without cause, Alex Holmes is entitled to six (6) weeks’ base pay (or notice) for every year of service to a maximum of twenty-four (24) months. He would not be entitled to further bonus payments after termination. In the case of resignation after a Change of Control and for Good Reason, Mr. Holmes is entitled to twenty-four (24) months’ base salary.

For Dan Blondal and Alex Holmes, the employment agreements stipulate “Change of Control” as:

- A merger, a consolidation, a reorganization, or an arrangement that results in a transfer of more than fifty percent (50%) of the total voting power of the Company’s outstanding securities to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction;
- A direct or indirect sale or other transfer of beneficial ownership of securities of the Company possessing more than 50 percent (50%) of the total combined voting power of the Company’s outstanding securities to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction;

- A direct or indirect sale or other transfer of all or substantially all of the assets of the Company to a person or a group of persons different from a person or a group of persons holding those assets immediately prior to such transaction; or
- A complete liquidation, dissolution or winding-up of the Company.

The employment agreements also stipulate “Good Reason” as one or more of the following events happening without the Executive’s consent:

- Any material adverse change to the Executive’s status, position, authority or responsibilities in effect under the Agreement;
- Any material reduction in incentives, health benefits, bonuses or other compensation plans, practices, policies, or programs provided to the Executive in the aggregate under the Agreement;
- An assignment to the Executive of any duties inconsistent with his/her status as an executive of the Company;
- Any action or inaction by the Company that constitutes constructive dismissal at common law; and
- Any failure to secure the agreement of any successor to fully assume the Company’s obligations under the contract.

Consulting: The Company has an arrangement with Paul Matysek, Chairman and Director for a consulting fee of \$12,500 per month (\$150,000 annually), payable to Bedrock Capital Corporation (the “Consultant”), a company controlled by Paul Matysek. In the event of a change of control in the Company, and if within six months of the change of control there is a material change in the Consultant’s position as Chairman and Director of the Company, without the Consultant’s express consent, the Consultant has the election to terminate the Consulting Agreement within one month following the material change, and the Company shall within 30 days of the election date, make a payment of \$30,000 to the Consultant. Either party may terminate the Consulting Agreement by giving the other party six months’ advance written notice of their intention to terminate the Consulting Agreement.

Except as noted above, management functions of the Company are substantially performed by Directors or Executive Officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

Securities Awards

The details regarding change of control for NEO equity grants are explained below in “Equity Incentive Plan – Change in Control”.

DIRECTOR COMPENSATION

For the fiscal year ended December 31, 2023, the Board (after considering the recommendations of the HRCC) had the responsibility of establishing the compensation to be paid to the non-executive Directors of the Company. The Board, directly or through one of its committees, reviews the compensation payable to the non-executive Directors at least once a year, considering the Company’s financial situation. The PCGC commissioned Willis Towers Watson in Q3 2021 to perform a compensation study for the non-executive Directors for which they were remunerated \$30,000.

For the fiscal year 2023, annual compensation for the non-executive Directors approved by the Board was as follows:

Director Retainers/Fees	
Cash retainer – NED	\$50,000
Cash retainer – Lead	\$75,000
Equity retainer – NED	\$50,000
Committee – Chair	\$15,000

Additionally, Directors have been granted, from time to time, incentive stock options, restricted share units, or deferred share units, in accordance with the terms of the Company's Equity Incentive Plan and the TSX. The granting of equity awards provides a link between Director compensation and the Company's share price. It also rewards Directors for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive award is appropriate, and if so, the number of RSUs or DSUs that should be granted, the Board will consider: the number and terms of outstanding incentive stock options or incentive units held by each Director; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Equity Incentive Plan and the TSX. The terms and conditions of the Company's equity grants, including vesting provisions and exercise prices, are governed by the terms of the Equity Incentive Plan, which are described under "Equity Incentive Plan" below. The Directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as Directors.

Director Compensation Table

The following table details the compensation paid to the Company's non-executive Directors for their service as Directors for the fiscal year ended December 31, 2023:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Lyle Brown, Director	65,000	66,000	Nil	Nil	N/A	Nil	131,000
Dr. Joseph Guy, Director ⁽¹⁾	501,166	66,000	Nil	Nil	N/A	Nil	567,166
Gord Kukec, Director	75,000	66,000	Nil	Nil	N/A	Nil	141,000
Carla Matheson, Director	62,500	66,000	Nil	Nil	N/A	Nil	128,500
Lisa Skakun Director	62,500	66,000	Nil	Nil	N/A	Nil	128,500

Notes:

- (1) Includes \$451,166 (2022 - \$253,684) paid to a private corporation controlled by Dr. Guy for services relating to patent filings, maintenance, and applications.



The following table summarizes all outstanding compensation securities granted or issued to Directors (who are not also NEOs) that remained outstanding as at the end of the fiscal year ended December 31, 2023:

Option-based Awards						Share-based Awards		
Name	Date of issue	Number of securities underlying unexercised Options ⁽¹⁾	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not Vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Lyle Brown, Director	Feb. 1, 2021	60,000	5.10	Feb. 1, 2024	Nil	17,971	43,310	41,095
Dr. Joseph Guy, Director	Feb. 1, 2021	60,000	5.10	Feb. 1, 2024	Nil	26,397	63,617	Nil
Gord Kukec, ⁽³⁾ Director	Feb. 1, 2021	25,000	5.10	Feb. 1, 2024	Nil	11,971	28,850	29,537
Carla Matheson, Director	Nil	Nil	Nil	Nil	Nil	10,386	25,030	27,626
Lisa Skakun, Director	Nil	Nil	Nil	Nil	Nil	10,061	24,247	27,235

Notes:

(1) All stock options are fully vested. One common share is issuable on the exercise of each stock option. The stock options expiring on February 1, 2024, expired unexercised.

(2) The closing price of the Company's Common Shares on December 31, 2023, was \$2.41.

(3) Mr. Kukec was appointed a Company Director on September 7, 2021, and had received prior grants as an advisor to the Company.

The following table sets forth, for each non-executive Director, the value of all awards vested and earned during the fiscal year ended December 31, 2023:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lyle Brown, Director	Nil	63,107	N/A
Dr. Joseph Guy, Director	Nil	63,107	N/A
Gord Kukec, Director	Nil	49,000	N/A
Carla Matheson, Director	Nil	49,000	N/A
Lisa Skakun, Director	Nil	49,000	N/A

EQUITY INCENTIVE PLAN

The Company's Equity Incentive Plan was adopted by the Board of Directors of the Company on June 18, 2021, and was most recently approved by shareholders on October 14, 2021. This Equity Incentive Plan replaced the Company's former Stock Option Plan. Notwithstanding the foregoing, pursuant to the terms of the Equity Incentive Plan, all outstanding options granted under the former Option Plan will be governed by the Equity Incentive Plan, unless the former Option Plan is more beneficial, in which case the terms of the Option Plan will apply for the benefit of the option holder.



The purpose of the Equity Incentive Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Company, to reward those Directors, employees and consultants as may be granted Awards by the Board from time to time for their contributions. Further, the purpose of the Equity Incentive Plan is to align Directors, employees and consultants with the interests of the shareholders and the long-term goals and success of the Company and to also enable and encourage such Directors, employees and consultants to acquire common shares as long-term investments and proprietary interests in the Company.

The Equity Incentive Plan is considered an “evergreen” plan, since the common shares covered by Awards (defined below) which have been exercised or terminated will be available for subsequent grants under the Equity Incentive Plan and the number of Awards available to grant increases as the number of issued and outstanding common shares increases. Additionally, the Company must seek shareholder approval for all unallocated entitlements of an evergreen plan every three years.

Types of Awards

The Equity Incentive Plan provides for the grant of Options, DSUs, RSUs, PSUs and Other Share-Based Awards (each more fully described below and collectively, the “Awards”) which may be denominated or settled in common shares, cash or in such other forms as provided for in the Equity Incentive Plan. The aggregate number of common shares reserved for issuance pursuant to awards granted under the Equity Incentive Plan (including any predecessor options granted under the 2017 Option Plan) shall not exceed 10% of the Company’s total issued and outstanding common shares from time to time. All Awards will be evidenced by an agreement or other instrument or document (an “Award Agreement”).

Additionally, in any year, under the terms of the Equity Incentive Plan and any other compensation plan that may be in place from time to time, the maximum annual individual non-executive Director limit shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of stock options; excluding awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a Director upon such Director joining the Board).

Plan Administration

The Equity Incentive Plan will be administered by the Board, which may delegate its authority to any duly authorized committee of the Board (the “Plan Administrator”). The Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals (the “Participants”) to whom grants of Awards under the Equity Incentive Plan may be made;
- (b) make grants of Awards under the Equity Incentive Plan, whether relating to the issuance of common shares or otherwise (including any combination of Options, DSUs, RSUs, PSUs or Other Share-Based Awards, defined below), in such amounts, to such eligible persons and, subject to the provisions of the Equity Incentive Plan, on such terms and conditions as it determines, including, without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which: (A) Awards may be granted to Participants; or (B) Awards may be forfeited to the Company, including vesting and any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of common shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of common shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the common shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;

- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Equity Incentive Plan;
- (e) construe and interpret the Equity Incentive Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Equity Incentive Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Notwithstanding the foregoing, the grant of any Other Share-Based Awards that are not Options, DSUs, RSUs or PSUs will be subject to TSX and shareholder approval (as applicable).

Under the terms of the Equity Incentive Plan, “*Market Price*” is defined as, with respect to one common share as of any date, (a) if the common shares are listed on the TSX, the price of one common share at the close of the regular trading session of such market or exchange on the last trading day prior to such date, and if no sale of common shares shall have occurred on such date, on the next preceding date on which there was a sale of common shares; (b) if the common shares are not so listed on an established stock exchange, the average of the closing “bid” and “asked” prices quoted by the OTC Markets, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted “bid” and “asked” prices on such date, on the next preceding date for which there are such quotes for a common share; or (c) if the common shares are not publicly traded as of such date, the per share value of one common share, as determined by the Board, or any duly authorized committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto, and with respect to Options awarded to U.S. Taxpayers, such valuation principles will be in accordance with U.S. Treasury Regulation Section 1.409A-1(b)(5)(iv)(B)(1).

Description of Awards

Subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, including with respect to performance and vesting conditions, the Plan Administrator may, from time to time, grant the following types of Awards to any Participant:

Options

An Option entitles a holder thereof to purchase a common share at an exercise price set at the time of the grant, which price must in all cases be not less than the Market Price on the date of grant. Each Option will expire on the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the date of grant) or, if not so specified, the tenth anniversary of the date of grant. The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options and will establish the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the Market Price on the date of grant.

Deferred Share Units (“DSUs”)

A DSU is a unit that vests immediately upon grant but does not settle until a future date, generally as established in the Award Agreement, or if not so established, then upon termination of service with the Company. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in DSUs, as determined by the Plan Administrator, by (b) the Market Price of a Share on the date of grant.

DSUs shall be settled on the date established in the Award Agreement; provided, however that in no event shall a DSU be settled prior to a Participant’s Termination Date (as defined in the Equity Incentive Plan), or later than one (1) year following, the date of the applicable Participant’s Termination Date. In no event shall a DSU Award be settled later than three (3) years following the date of the applicable Participant’s separation from service. Subject to the terms of the Equity Incentive Plan, and except as otherwise provided



in an Award Agreement, on the settlement date for any DSU, each vested DSU will be redeemed for a common share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, DSUs will be credited with dividend equivalents in the form of additional DSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the DSUs to which they relate.

Restricted Share Units

A RSU is a unit equivalent in value to a common share that does not vest until after a specified period, or satisfaction of other vesting conditions as determined by the Plan Administrator. The number of RSUs (including fractional RSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price of a common share on the date of grant.

The Plan Administrator will have the sole authority to determine the vesting terms applicable to the grant of RSUs. Subject to the terms of the Equity Incentive Plan, and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, each vested RSU will be redeemed for a common share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, RSUs will be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the RSUs to which they relate.

Performance Share Units

A PSU is a unit equivalent in value to a common share that does not vest until after a specified period, or satisfaction of other vesting conditions as determined by the Plan Administrator. The Plan Administrator will issue performance goals prior to the date of grant to which such performance goals pertain. The performance goals may be based upon the achievement of corporate, divisional or individual goals and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the performance goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or other agreement with a Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, PSUs will be credited with dividend equivalents in the form of additional PSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the PSUs to which they relate.

Each PSU will consist of a right to receive a common share, cash payment, or a combination thereof, upon the achievement of such performance goals during such performance periods as the Plan Administrator may establish.

Other Share-Based Awards

Each "Other Share-Based Award" shall consist of a right (a) which is other than an Award or right described above, and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, common shares (including, without limitation, securities convertible into common shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Equity Incentive Plan; provided, however, that such right will comply with applicable law. Subject to the terms of the Equity Incentive Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards.



Blackout Period

In the event that the date of grant of an Award occurs, or an Award expires, at a time when an undisclosed material change or material fact in the affairs of the Company exists, the effective date of grant, or expiry of, such Award, as the case may be, will be no later than 10 business days after which there is no longer such undisclosed material change or material fact, and the Market Price with respect to the grant of such Award will be calculated based on the closing price of the common shares on the last trading day immediately preceding the effective date of grant. Notwithstanding the foregoing, in no event will the expiry date extend beyond ten years from the date of grant, and with respect to ISOs awarded to 10% owners (as described in Section 12.3 of the Equity Incentive Plan) in no event will the expiry date extend beyond five years from the date of grant. With respect to a U.S. Awardee, the application of the blackout period shall be made in the Company's sole discretion in accordance with the United States Internal Revenue Code of 1986, as amended from time to time (the "Code") and Section 409A thereof.

Effect of Termination on Options and Other Awards

The below table describes the impact of certain events upon the Participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death, or retirement with respect to treatment of Options, subject, in each case, to the terms of a Participant's employment agreement, Award Agreement or other written agreement. With respect to Awards other than Options, the treatment of such Awards upon various types of termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any Award will be determined by the Plan Administrator and by the other terms and conditions of any Award, all as set out in the applicable Award Agreement.

Event Provisions	Provisions
Termination for cause	Forfeiture of any unexercised Option.
Resignation and Termination without cause	Any unvested Options held by the Participant as of the Termination Date (as defined in the Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date and any vested Options held by the Participant as of the Termination Date may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the date that is 90 days after the Termination Date. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.
Death	Any Option held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the third anniversary of the date of the death of such Participant. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.
Retirement	A retirement Option continues to vest in accordance with its terms and may be exercised or surrendered to the Company at any time during the period that terminates on the earlier of the expiry date and three years after retirement date to exercise. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period. If the Participant commences employment following retirement, any Option held

Event Provisions

Provisions

Disability

by the Participant that has not been exercised as of such date is immediately forfeited.

Any Option held by the Participant that has not vested as of the date of the disability of such Participant shall continue to vest in accordance with its terms and may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the third anniversary of the Participant's date of disability. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator and with respect to Awards to U.S. Taxpayers, in a manner that does not result in adverse tax consequences under Section 409A of the Code.

Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant, and except with respect to DSUs, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause:

- (a) the conversion or exchange of any outstanding Awards into or for rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (as defined in the Equity Incentive Plan);
- (b) outstanding Awards to vest and become exercisable, realizable or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control;
- (c) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant and subject to any withholding taxes, if applicable (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction, the Plan Administrator determines, in good faith, that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Company without payment);
- (d) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or
- (e) any combination of the foregoing.

In taking any of the foregoing actions, the Plan Administrator will not be required to treat all Awards similarly in the transaction.

Notwithstanding the foregoing, and unless otherwise determined by the Plan Administrator or as set out in the Equity Incentive Plan, if, as a result of a Change in Control, the common shares will cease trading on the TSX, the Company may terminate all of the Awards granted under the Equity Incentive Plan (other than Options held by Canadian Taxpayers) at the time of and subject to the completion of the Change in Control by paying to each holder an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably. In the case of Options held by a Canadian Taxpayer by permitting the Canadian Taxpayer to surrender such Options to the Company

for an amount for each such Option equal to the fair market value of such Option as determined by the Plan Administrator, acting reasonably, upon the completion of the Change in Control (following which such Options may be cancelled for no consideration).

Assignability

Except as required by law, the rights of a Participant under the Equity Incentive Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged, or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

Amendment, Suspension or Termination of the Equity Incentive Plan

The Plan Administrator may from time to time, without notice and without approval of the shareholders, amend, modify, change, suspend or terminate the Equity Incentive Plan or any Awards granted pursuant thereunder as it, in its discretion, determines appropriate, provided, however, that: (a) no such amendment, modification, change, suspension or termination may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Equity Incentive Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or TSX requirements; (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code will be null and void with respect to the U.S. Taxpayer unless his or her consent is obtained; and (c) any amendments to the Equity Incentive Plan or to any Awards granted pursuant to the Equity Incentive Plan are subject to TSX approval (including such amendments that do not otherwise trigger approval of the holders of voting common shares of the Company).

Without limiting the generality of the foregoing, but subject to the below, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Equity Incentive Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendment regarding the effect of termination of a participant's employment or engagement;
- (c) making any amendments to add covenants of the Company for the protection of Participants, provided that the Plan Administrator must be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants;
- (d) making any amendments not inconsistent with the Equity Incentive Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator must be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and non-employee directors;
- (e) amending or modifying the Equity Incentive Plan to the extent the Plan Administrator in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A of the Code or other tax regulation; or
- (f) making such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator must be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

Notwithstanding the foregoing and subject to any rules of the TSX, shareholder approval (including by way of disinterested shareholder approval where required by the TSX) will be required for any amendment, modification or change that:

- (a) increases the percentage of common shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;

- (b) increases or removes the 10% limits on common shares issuable or issued to insiders;
- (c) if the Company is subject to the policies of the TSX Venture Exchange, allows for the grant to insiders (as a group), within a 12-month period, an aggregate number of Awards exceeding 10% of the Company's issued common shares, calculated at the date the Award is granted to the insider;
- (d) if the Company is subject to the policies of the TSX Venture Exchange, allows for the grant to any one Participant, within a 12 month period, an aggregate number of Awards exceeding 5% of the Company's issued common shares, calculated at the date the Award is granted to the insider;
- (e) reduces the exercise price of an Award, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (f) extends the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the Participant or within five business days following the expiry of such a blackout period);
- (g) permits an Award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (h) increases or removes the non-employee director participation limits;
- (i) permits Awards to be transferred to a person;
- (j) changes the eligible participants of the Equity Incentive Plan; or
- (k) deletes or reduces the range of amendments which require shareholder approval.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company's most recently completed fiscal year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	3,471,268	2.99	7,657,930
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	3,471,268	2.99	7,657,930

The table below summarizes the burn rates in connection with the Company's Option Plan during the fiscal years ended December 31, 2021, 2022 and 2023.

	2023	2022	2021
Burn Rate(1)	0.43%	0.25%	0.23%

Notes:

- (1) Burn rate represents: (total stock options granted during the applicable fiscal year) ÷ (weighted average of total common shares issued and outstanding for the applicable fiscal year). The weighted average number of common shares outstanding during the fiscal year is the number of common shares outstanding at the beginning of the period, adjusted by the number of common shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the common shares are outstanding as a proportion of the total number of days in the year.

For further information on the Option Plan and Equity Incentive Plan, see “*Statement of Executive Compensation - Equity Incentive Plans*”, above.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company’s most recently completed fiscal year, no informed person of the Company, nominee for Director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An “informed person” means: (a) a Director or executive Officer of the Company; (b) a Director or executive Officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its common shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors. For the purpose of this paragraph, “Person” shall include each person or company: (a) who has been a Director or executive Officer of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a Director of the Company; and (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the Company’s last completed fiscal year, no current or former executive Officer, Director or employee of the Company or any of its subsidiaries, proposed nominee for election as a Director of the Company or associate of any Director or executive Officer of the Company or proposed nominee is or has been indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Company’s approach to corporate governance is set forth below.

Board of Directors

Section 1.4 of National Instrument 52-110 - *Audit Committees* (“NI 52-110”) sets out the standard for Director independence for the purposes of NI 58-101. Under section 1.4 of NI 52-110, a Director is independent if he or she has 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. NI 52-110 also sets out certain situations where a Director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in section 1.4 of NI 52-110, four of the seven current members of the Board are independent, being Lyle Brown, Carla Matheson, Lisa Skakun and Mr. Gord Kukec. Dan Blondal and



Paul Matysek are not considered to be independent due to their position as executive Officers of the Company. Dr. Joseph Guy is not considered to be independent due fees charged to the Company by a private company controlled by Dr. Joseph Guy for patent filing, application, and maintenance services.

The Board may meet independently of management (including without non-independent directors) at the request of any director or may excuse members of management from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. The Board also meets without management before and/or after each Board meeting, including after each Board meeting held to consider interim and annual financial statements.

Board Mandate

The Board’s mandate is to provide stewardship of the Company, to oversee the management of the Company’s business and affairs, to maintain its strength and integrity, to oversee the Company’s strategic direction and to perform any other duties required by law. The Board holds management responsible for the development of long-term strategies for the Company and reviews and approves the corporate objectives proposed by the Chief Executive Officer along with advising management on the development of a corporate strategy to achieve those objectives. The role of the Board is to review, question, validate and ultimately approve the strategies and policies proposed by management. The Board relies on management to perform the data gathering, analysis and reporting functions which are critical to the Board for effective corporate governance. In addition, the executive team reports to the Board at least every quarter on the Company’s progress in the preceding quarter and on the strategic, operational, and financial issues facing the Company.

The Board Mandate requires the Board meet as many times as it considers necessary to carry out its responsibilities effectively and, in any event, on no less than a quarterly basis, at minimum. Board meetings are required to include in camera meetings of the independent members of the Board without any members of management present to allow for open discussions between independent directors.

Directorships

In addition to their positions on the Board, the following Directors also serve as Directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Paul Matysek	Nevada King Gold Corp. Freeman Gold Corp. LithiumBank Resources Corp. Planet X II Capital Corp. (a capital pool company) Planet X Capital Corp. (a capital pool company)
Carla Matheson	Tiny Ltd.

Additional information on each director standing for election, including other public company boards on which they serve and their attendance record for all Board and Committee meetings during 2022, can be found on pages 5-7 of this Circular.

Orientation and Continuing Education

Board turnover is relatively rare. As a result, the Board provides ad hoc orientation for new Directors.

On occasions where it is considered advisable, the Board will provide Directors with information regarding topics of general interest, such as fiduciary duties, changes in regulatory statutes and law, and continuous disclosure obligations. The Board also ensures that each Director is up to date with current information regarding the business of the Company, the role the Director is expected to fulfil ,and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise.

Ethical Business Conduct

Directors, Officers, and employees are required as a function of their Directorship, office, or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. A company policy is currently under review for approval by the Board.

Board Committees

As of the date hereof, the Board has established three committees: the Audit Committee and the Nominations and Governance Committee and the Human Resources and Compensation Committee. A copy of the Audit Committee Charter, which prescribes the duties and obligations of the Audit Committee, is annexed as Appendix 1. Copies of the N&GC and the HRCC Mandates are available on the Company’s website at www.nanoone.ca. The composition of the Company’s committees as at the date of this Circular is set out as follows:

Board Committee	Member	Status
Audit	Lyle Brown (Chair)	Independent
	Gord Kukec	Independent
	Carla Matheson	Independent
Nominations & Governance Committee	Lisa Skakun (Chair)	Independent
	Gord Kukec	Independent
Human Resources and Compensation Committee	Carla Matheson (Chair),	Independent
	Gord Kukec	Independent
	Paul Matysek	Non-independent

Nomination of Directors

The Board as a whole is responsible for reviewing the composition of the Board on a periodic basis. The N&GC is responsible for recommending to the Board the appropriate criteria for the selection of new directors and in consultation with the Board establishing a process for the identification of prospective directors and performing the preliminary interviews and reference checks before any potential candidate is put forward to the Board for further assessment before an appointment is decided upon. See “Board Diversity” on page XX for more information on Board recruitment.

Director Term Limits and Retirement

The Company does not have a policy regarding term-limits for Directors or mandatory retirement. The Company believes that such policies ignore the value that an experienced and knowledgeable director brings to the Company. Continuity of a board member can provide long-term stability and insight and be valuable for new directors joining the Board.

Compensation

The Board as a whole review and approve all matters relating to compensation of the Directors and executive Officers of the Company upon recommendations from the HRCC. See “*Statement of Executive Compensation – Compensation Governance*” above.

Assessments

The entire Board is responsible for assessing the effectiveness of the Board, its members, and the committees of the Board, in consultation with the N&GC. The Board has not adopted formal procedures for assessing the effectiveness of the Board, its committees or its members based on the Company’s size and its stage of development however in Q1 2023, Watson Advisors, an independent governance specialist,

was hired to complete a review of the Board and its committees, and their effectiveness. Recommendations from that review have been considered and are in the process of being incorporated. The evaluation included surveys and interviews with the officers of the Company and the Directors, along with a final report to the Board.

In-camera Meetings

The independent Directors meet with the non-independent directors and Management at regularly scheduled Board meetings. They can also choose to meet in-camera (privately) at any Board meeting or can hold a separate meeting consisting of only the independent directors. In addition, the Audit Committee holds in-camera sessions with our auditor or amongst themselves at each Board meeting in which the Auditor is present, and other Board committees hold in-camera sessions as mandated.

Position Descriptions

The Board has developed and approved written position descriptions for the Executive Chair of the Board, the chairs of the Board's committees, the Lead Director and the Company's CEO. Each position description describes the responsibilities of the relevant role; copies are available on the Company's website.

Other Company Policies

In furtherance of the purpose and objectives of ethical business conduct, the Board has adopted additional standalone policies not already mentioned herein, including the following:

Whistleblower Policy – The Company has adopted a Whistleblower Policy with respect to financial misconduct or any other evidence of activity by a director, officer, employee, or consultant of the Company that may constitute unethical or questionable business and employment practices.

Anti-Bribery and Anti-Corruption Policy – The Company has adopted an Anti-Bribery and Anti-Corruption Policy designed to ensure compliance with anti-bribery and anti-corruption laws and regulations; and

Insider Trading Policy – The Company has adopted an Insider Trading Policy to ensure that all Directors, Officers, employees, and other individuals are aware of, and comply with their legal obligations, and prevent engagement in securities trading that, although not illegal, exposes them and/or the Company to potential reputational risk. Additionally, it is intended to provide guidance and assistance with regards to prohibited trading activities, including regular and special black-out periods, and describes reporting requirements applicable to insiders.

Disclosure Policy – The Disclosure Policy was adopted to ensure that the Company is communicating information in a consistent, accurate, and timely manner, in accordance with the provisions of the Canadian Securities Administration, the rules and regulations of the Toronto Stock Exchange ("**TSX**") and other applicable legal and regulatory requirements. The Disclosure Policies set out disclosure and communications guidelines and obligations, handling material information, dealing with government agencies and analysts, and social media.

In addition to these Board approved policies, the Company also has internal policies which govern standards of conduct and behaviour in order to promote a respectful work environment while also providing guidance to team members regarding the protection of data, workplace conduct, accountability and communication.

Information Security Oversight and Cybersecurity

Nano One relies on information technology ("IT") systems, as well as network and cloud infrastructure, to manage its business and safely operate its assets, which could expose the Company to potential risks of business interruption, fraud, or the release, destruction or misuse of critical, sensitive or confidential information due to cyberattacks. There were no IT related incidents in 2023.

The Company has set out to establish a cybersecurity program which seeks to limit the risks which is made of the following key approaches:

- 1) communication, education and training, which is made up of "lunch and learns", training sessions and online seminars required to be completed by all members of the Company;

- 2) systems and behavioural testing;
- 3) executive oversight and Board reporting;
- 4) investment in the Company’s IT infrastructure; and
- 5) establishment of policy governing use with required sign offs, such as Password and Acceptable Use policies.

AUDIT COMMITTEE DISCLOSURE

Audit Committee

As at the date hereof, the Audit Committee is composed of:

Lyle Brown, Chair	Independent	Financially Literate
Carla Matheson	Independent	Financially Literate
Gord Kukec	Independent	Financially Literate

All of the members of the Audit Committee are “financially literate” and “independent” within the meaning of sections 1.4, 1.5 and 1.6 of NI 52-110.

The Company must also, pursuant to the provisions of NI 52-110, have a written charter which sets out the duties and responsibilities of its audit committee. The text of the Audit Committee’s Charter is attached as Appendix 1 to this Circular.

The Audit Committee is responsible for the review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. Audit committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

Mr. Brown, Chair of the Audit Committee, is a Chartered Professional Accountant. He has a clear understanding of the accounting principles used by the Company to prepare its financial statements; has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; has experience actively supervising one or more individuals engaged in preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, and has an understanding of internal controls and procedures for financial reporting.

Mr. Kukec currently sits on the boards of Intelligent City and Solshare Energy Corp. and has 30 years’ experience spanning a range of senior executive leadership roles which provides him with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles, and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting. Mr. Kukec holds a BA, Economics from University of Calgary, and an MBA from Queen’s University.

Ms. Matheson is a Chartered Professional Accountant (CPA, CA) with over ten years of experience in a variety of industries, specializing in business development, mergers and acquisitions and financial reporting for public and private corporations. Ms. Matheson is currently the Chief Financial Officer of Plank Ventures Ltd., an investment company targeting investments and business opportunities in the technology arena, with a focus on early-stage start-up companies that have developed a customer and revenue base and are seeking funding for expansion and serves as a director on the board at Tiny (formerly WeCommerce), which



is listed on the TSX Venture Exchange. Additionally, Ms. Matheson completed the Institute of Corporate Directors (ICD) course in March 2024.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently Davidson & Company LLP) not adopted by the Board.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board, and where applicable by the Audit Committee, on a case-by-case basis. The Audit Committee Charter included in Appendix "1" covers guidelines for the provision of non-audit services, including a list of prohibited non-audit services.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

Fiscal Year Ending	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees	All Other Fees
December 31, 2023	\$150,000	\$52,000	\$ -	\$ -
December 31, 2022	\$125,000	\$15,000	\$ -	\$ -

Notes:

- (1) Audit Fees relate to amounts paid or accrued in relation to the associated fiscal year.
- (2) Audit-Related Fees include consultations and attendances to matters other than the Company's fiscal year end audits, as well as fees for interim review engagements.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR+ website located at www.sedarplus.ca under "Company Profiles - Nano One Materials Corp". Financial information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis ("MD&A") for its most recently completed fiscal year.

Shareholders wishing to obtain a copy of the Company's financial statements and MD&A may obtain them free of charge on SEDAR+ at www.sedarplus.ca, or may contact the Company as follows:

Nano One Materials Corp.
Unit 101B, 8575 Government Street
Burnaby, B.C. V3N 4V1
Telephone: 604-420-2041
E-mail: info@nanoone.ca

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, it is the intention of the persons designated by management of the Company in the form of proxy accompanying this Circular to vote the common shares represented thereby in accordance with their best judgment on such matter.



BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the Directors of the Company.

DATED at Vancouver, British Columbia, the 21st day of June 2024.

ON BEHALF OF THE BOARD OF NANO ONE MATERIALS CORP.

"Dan Blondal"

Chief Executive Officer

APPENDIX 1

Charter of the Audit Committee of the Board of Directors

1.0 PURPOSE AND AUTHORITY

- 1.1 The purpose of the Committee is to advise and assist the Board of Nano One Materials Corp. (the "Corporation") in fulfilling its oversight responsibilities relating to, among other things:
- a) the integrity of the Corporation's financial statements, financial disclosures and internal controls over financial reporting and disclosure controls and procedures;
 - b) the Corporation's compliance with related legal and regulatory requirements;
 - c) the qualifications, independence and performance of the Independent Auditor, together with the compensation of the Independent Auditor;
 - d) the Corporation's ERM Program and the management and mitigation of significant risks identified thereunder;
 - e) the related policies of the Corporation set out herein; and
 - f) other matters set out herein or otherwise delegated to the Committee by the Board.
- 1.2 Consistent with this purpose, the Committee shall encourage continuous improvement of, and foster adherence to, the Corporation's policies, procedures, and practices at all levels. The Committee shall also provide for open communication among the Independent Auditor, Management, and the Board.
- 1.3 To perform its duties and responsibilities, the Committee has the authority to: (i) conduct investigations into any matters within its scope of responsibility; (ii) have unrestricted access to information, management and employees, and books and records of the Corporation and its affiliates; and (iii) directly access and communicate with the Independent Auditor.

2.0 DEFINITIONS

- 2.1 In this Charter:
- a) "**Board**" means the board of directors of the Corporation;
 - b) "**Chair**" means the Chair of the Committee;
 - c) "**Charter**" means this Charter of the Committee;
 - d) "**Committee**" means the audit committee of the Board;
 - e) "**Core Audit Services**" means services necessary to:
 - (i) audit the Corporation's annual financial statements;
 - (ii) review the Corporation's interim financial statements, as requested; and
 - (iii) audit internal controls over financial reporting in accordance with the requirements of all applicable laws, regulations and professional standards;

- f) "**Corporation**" means Nano One Materials Corp.;
- g) "**CPAB**" means the Canadian Public Accountability Board or its successor;
- h) "**Director**" means a member of the Board;
- i) "**ERM Program**" means the Corporation's Enterprise Risk Management Program that incorporates an effective risk management framework to identify, evaluate, manage, monitor and communicate key corporate risks;
- j) "**Financial Expert**" means an "audit committee financial expert" as defined in National Instrument 52-110 "Audit Committees";
- k) "**Financially Literate**" means having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breath and complexity of the issues that can reasonably be expected to be present in the Corporation's financial statements;
- l) "**Nominations and Governance Committee**" means the nominations and governance committee of the Board;
- m) "**Independent**" means, in the context of a Member and in accordance with all applicable laws and stock exchange requirements, being free from any direct or indirect material relationship with the Corporation and its subsidiaries which, in the view of the Board, could reasonably be expected to interfere with the exercise of a Member's independent judgment;
- n) "**Independent Auditor**" means the firm of chartered professional accountants, registered with the CPAB and appointed by the shareholders to act as external auditor;
- o) "**Management**" means the executive officers of the Corporation;
- p) "**MD&A**" means the Corporation's Management's Discussion & Analysis prepared in accordance with the requirements of National Instrument 51-102 in respect of the Corporation's annual and interim financial statements;
- q) "**Member**" means a Director appointed to the Committee; and
- r) "**Related Party Transactions**" means those transactions required to be disclosed under all applicable laws and stock exchange requirements which include, without limitation, transactions between: (i) executive officers, directors, principal shareholders or their immediate family members; and (ii) the Corporation or any of its subsidiaries.

3.0 ESTABLISHMENT AND COMPOSITION OF COMMITTEE

- 3.1 The Committee shall be comprised of three (3) or more Directors, each of whom is Independent and Financially Literate. No Member may be a member of Management or an employee of the Corporation or of any affiliate of the Corporation. The Board shall appoint to the Committee at least one (1) Director who is a Financial Expert.
- 3.2 Members shall be appointed at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, or otherwise by resolution of the Board of Directors following such

meeting of shareholders, and shall serve until: the next annual meeting of the shareholders; they resign; their successors are duly appointed; or such Member is removed from the Committee by the Board.

- 3.3 The Board may appoint a Member to fill a vacancy which occurs on the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining Members shall exercise all of the powers of the Committee so long as at least three (3) Members remain in office.
- 3.4 No Member shall serve on more than three (3) public company audit committees (inclusive of the Corporation) without the prior approval of the Board.
- 3.5 The Board shall appoint a Chair on the recommendation of the Corporation's Nominations and Governance Committee, or such other committee as the Board may authorize. The Chair shall continue in that role until a successor is appointed.

4.0 COMMITTEE MEETINGS

- 4.1 The Committee shall meet at least quarterly and such other times as it deems appropriate. Meetings of the Committee shall be held at the call of: (i) the Chair; (ii) any two Members; or (iii) the Independent Auditor.
- 4.2 The Chief Executive Officer, the Chief Financial Officer, and the Independent Auditor shall receive notice of and, unless otherwise determined by the Chair, shall be entitled to attend all meetings of the Committee. For clarity, the Independent Auditor must attend the Committee meetings at which the Corporation's annual audited financial statements and unaudited interim financial statements are reviewed.
- 4.3 A quorum at any meeting of the Committee shall be two (2) Members.
- 4.4 Each Member shall have the right to vote on matters that come before the Committee.
- 4.5 Matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee where such matter is considered. Actions of the Committee may also be taken by instruments in writing signed by all of the Members.
- 4.6 The Chair shall act as chair of all meetings of the Committee at which the Chair attends, otherwise the Members present at the meeting shall appoint one of their number to act as chair of the meeting.
- 4.7 Unless otherwise determined by the Chair, the Corporate Secretary of the Corporation shall act as secretary of all meetings of the Committee.
- 4.8 The Committee shall periodically meet separately with Management and the Independent Auditor to discuss any matters that the Committee or any of these persons or firms believes should be discussed privately. The Committee shall conduct *in camera* sessions without Management present at each meeting of the Committee.
- 4.9 The Committee may invite any Directors, executive officers or employees of the Corporation or any other person to attend the meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

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- 4.10 The Committee may delegate authority to individual Members or subcommittees, if deemed appropriate.

5.0 DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

A. Independent Auditor

- 5.1 The Committee shall consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, remuneration, re-appointment and removal of the Corporation's Independent Auditors.
- 5.2 The Committee shall oversee the work of the Independent Auditor in connection with the Core Audit Services and any other services performed for the Corporation. The Independent Auditor shall report directly to the Committee and the Committee has the authority to communicate directly with the Independent Auditor.
- 5.3 The Committee shall oversee the resolution of any disagreements between Management and the Independent Auditor. The Committee shall discuss with the Independent Auditor matters relating to the conduct of the audit, including any problems or difficulties encountered and Management's responses thereto and any restrictions on the scope of activities or access to requested information.
- 5.4 The Committee shall pre-approve all Core Audit Services and audit-related services fees and other compensation related thereto performed by the Independent Auditor.
- 5.5 The Committee shall review and evaluate the qualifications, independence and performance of the Independent Auditor and its lead audit partner. Without limiting the foregoing, the Committee shall:
- a) review and discuss with Management and separately with the Independent Auditor the results of the Corporation's annual Independent Auditor assessment process;
 - b) monitor the Independent Auditor's processes for maintaining independence, its compliance with relevant laws, regulations, and other professional requirements, including the guidance on the rotation of audit partner and staff and, if determined by the Committee, recommend to the Board that appropriate action is taken to ensure the independence of the Independent Auditor; and
 - c) at least annually, obtain and review a report from the Independent Auditor describing the firm's internal quality control processes and procedures, including any material issues raised by the most recent internal quality control review or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years with respect to independent audits carried out by the Independent Auditor, and any steps taken to address such issues.

The Committee shall discuss any material issues identified with the Board and recommend any action that the Committee deems appropriate.

- 5.6 The Committee shall meet with the Independent Auditor prior to the audit to discuss the planning and staffing of the audit, including the general approach, scope, areas subject to significant risk of material misstatement, estimated fees and other terms of engagement.
- 5.7 Consult with the Board and management and provide oversight regarding the Corporation's

consideration of hiring or contracting employees or former employees of the Independent Auditor.

B. Non-audit Services Performed by the Independent Auditor

- 5.8 The Committee must review and pre-approve any service and the related fees, outside of the Core Audit Services, provided by the Independent Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
- a. the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to the Independent Auditor during the fiscal year in which the non-audit services are provided;
 - b. such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - c. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.
- 5.9 For any service, other than Core Audit Services, requiring specific pre-approval the Committee may delegate pre-approval authority to one or more of its Members in satisfaction of the pre-approval requirement set forth in this section. Delegates must report all pre-approval decisions to the Committee at the next scheduled Committee meeting. A list of prohibited non-audit services is attached to this Charter in Appendix "A".
- 5.10 Any proposed services exceeding the pre-approved fee levels will require additional specific pre-approval by the Audit Committee.
- 5.11 Requests or applications to provide services other than Core Audit Services which require separate approval by the Committee will be submitted to the Committee by both the Independent Auditor or its affiliates, and the Corporation's Chief Financial Officer.

C. Financial Reporting

- 5.12 In consultation with Management and the Independent Auditor the Committee shall review and satisfy itself as to: (i) the integrity of the Corporation's internal and external financial reporting processes; (ii) the adequacy and effectiveness of the Corporation's disclosure controls and procedures (including those pertaining to the review of disclosure containing financial information extracted or derived from the Corporation's financial statements) and internal controls over financial reporting; and (iii) the competence of the Corporation's personnel responsible for accounting and financial reporting. Without limiting the generality of the foregoing, the Committee shall receive and review:
- a) Reports, as necessary, regarding: (i) critical accounting estimates, policies and practices;
(ii) any reserves, accruals, provisions and estimates that may have a material effect on the Corporation's financial statements; (iii) any *pro forma*, adjusted or restated financial information, forecasts, or projections; and (iv) the effect of regulatory and accounting initiatives, as well as off-balance sheet arrangements, on the Corporation's financial statements;

- b) analyses by Management and the Independent Auditor regarding significant financial reporting issues and judgments made in connection with the preparation of the Corporation's annual and interim financial statements; and
 - c) other material written communication between Management and the Independent Auditor.
- 5.13 The Committee shall, prior to public release, if applicable, review and discuss with Management and with others as it deems appropriate:
- a) the Corporation's annual audited financial statements and unaudited interim financial statements and the Independent Auditor's related attestation reports, as well as any related MD&As;
 - b) the Independent Auditor's interim review reports, as applicable, and annual audit report to the Committee summarizing the scope, status, results and recommendations of the interim review of the Corporation's interim financial statements and of the audit of the Corporation's annual financial statements and related audit of internal controls over financial reporting, as applicable, and also containing at least: (i) the communications with respect thereto between the Independent Auditor and the Committee required by any applicable regulations and professional standards, including without limitation schedules of corrected and uncorrected quantitative and disclosure misstatements and significant deficiencies and material weaknesses in internal controls; (ii) the (at least) annual independence communication; (iii) the Management representation letter; and (iv) the documentation and communication required quarterly, as applicable, from the Independent Auditor;
 - c) the report to shareholders contained in the Corporation's annual report, as applicable; and
 - d) any other document that the Committee determines should be reviewed and discussed with Management and the Independent Auditor or for which a legal or regulatory requirement in that regard exists.
- 5.14 The Committee shall, prior to public release, review and discuss with Management and with others as it deems appropriate, the financial information to be disclosed in the Corporation's interim and annual or other news releases.
- 5.15 The Committee shall review and recommend the Corporation's annual audited financial statements together with the Independent Auditor's audit report thereon, disclosure controls and procedures, MD&As, related news releases and reports to shareholders for approval by the Board and subsequent public release, as well as inclusion of the noted financial statements in the Corporation's annual reports. The Committee, if deemed appropriate, shall review and approve the Corporation's unaudited interim financial statements, related interim MD&As and news releases, and their subsequent public release, on behalf of the Board.
- 5.16 The Committee shall, prior to public release, review and discuss with Management and with others as it deems appropriate, and recommend for approval by the Board as necessary:
- a) any future oriented financial information, financial forecasts, future earnings guidance, as applicable, to be provided by the Corporation;
 - b) the Annual Information Form to be filed by the Corporation;

- c) any prospectus or other offering documents and documents related thereto for the issuance of securities by the Corporation; and
 - d) other disclosure documents to be released publicly by the Corporation containing or derived from financial information.
- 5.17 The Committee shall review, discuss with Management and with others as it deems appropriate, the disclosures made by the Chief Executive Officer and Chief Financial Officer of the Corporation pursuant to their certification of the Corporation's annual and interim reports regarding significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting and any alleged fraud involving Management or other employees.
- 5.18 The Committee shall use reasonable efforts to satisfy itself as to the appropriateness of the Corporation's material financing, capital and tax structures.
- 5.19 The Committee shall prepare, or cause to be prepared, any reports of the Committee required to be included in the Corporation's public disclosures or otherwise required by applicable laws.
- 5.20 The Committee shall review, discuss with Management and with others as it deems appropriate, and approve all Related Party Transactions and the disclosure thereof.

D. Risk Management and Other

- 5.21 The Committee shall be responsible for the oversight of the Corporation's ERM and shall report any actions or findings of the ERM program to the Board.
- 5.22 The Committee shall review and discuss with Management and others as it deems appropriate Management's report regarding identifying, assessing, managing and mitigating significant risks and related matters identified pursuant to the ERM program.
- 5.23 The Committee will oversee and assess the Corporation's fraud prevention controls and processes, and will review any reports provided by management on findings of fraud and the response thereto.
- 5.24 The Committee shall satisfy itself as to the appropriateness of the Corporation's internal controls and processes associated with the release of any sustainability disclosures.
- 5.25 In the event it's required, the Committee shall review and discuss with Management and others as it deems appropriate the quarterly report prepared by Management regarding any existing significant litigation and/or other material legal matters that could have a significant impact on the Corporation or its financial statements.
- 5.26 The Committee shall be responsible for the oversight of the Corporation's insurance programs, any renewals or replacements thereof, including in respect of directors' and officers' (D&O) insurance and indemnification of Directors.

E. Policies and Charter

- 5.27 The Committee is responsible for the oversight of the following policies:

- a) Whistleblower Policy, including overseeing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters as well as procedures for confidential, anonymous submissions by employees regarding questionable accounting or auditing matters as required by applicable law;
- b) Corporate Disclosure Policy; and
- c) other policies that may be established from time-to-time regarding accounting, financial reporting, disclosure controls and procedures, internal controls over financial reporting, oversight of the external audit of the Corporation's financial statements, and oversight of the internal audit function.

5.28 The Committee shall periodically review this Charter and recommend any necessary amendments to the Nominations and Governance Committee for consideration and recommendation to the Board for approval, as deemed appropriate.

6 REPORTING

6.1 The Chair, or another designated Member, shall report to the Board at each regular meeting on those matters that have been dealt with by the Committee since the last regular meeting of the Board.

7 REMUNERATION OF MEMBERS

7.1 Members and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time, having considered the recommendation of the Nominations and Governance Committee.

8 GENERAL

8.1 This Charter shall be posted on the Corporation's corporate website at www.nanoone.ca.

8.2 The Committee shall annually review its own effectiveness and performance.

8.3 The Committee shall perform any other activities consistent with this Charter, the Corporation's by-laws and applicable laws, that the Board or Committee determines are necessary or appropriate.

8.4 The Committee may, in its discretion and in circumstances that it considers appropriate, obtain advice and assistance from outside legal, accounting and other advisors and approve the engagement by the Committee or any Member of outside advisors or persons having special expertise, all at the expense of the Corporation. The Corporation shall provide appropriate compensation, as determined by the Committee, for the Independent Auditor, to any independent counsel or other advisors that the Committee chooses to engage, and for payment of ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its duties and responsibilities.

9 OVERSIGHT FUNCTION

9.1 The Committee is not responsible for certifying the accuracy or completeness of the Corporation's financial statements or their presentation in accordance with IFRS Accounting Standards ("IFRS"), nor for guaranteeing the accuracy of the attestation reports of the Independent Auditor. The

fundamental responsibility for the Corporation's financial statements, reporting, internal controls over financial reporting, and disclosure controls and processes rests with Management and, in accordance with its professional responsibilities, the Independent Auditor. Although the Committee has the responsibilities and powers outlined in this Charter, its members, who are appointed from the Board, provide broad oversight of the Corporation's day-to-day operations. It is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and in accordance with IFRS. These tasks are the responsibility of Management, with the Committee performing an oversight function, and the Independent Auditors. Nothing in this Charter is intended to modify or augment the obligations of the Corporation or the fiduciary duties of the Committee members or the Board under applicable laws.

This Committee Charter was amended and approved on June 21, 2024.

Appendix A

Prohibited Non-audit Services

This list is not exhaustive and additional guidance and exemptions are set out in *Rule 204* of the Independence Standards of the CPA Code of Professional Conduct.

- Bookkeeping or other services related to the accounting records or financial statements of the Corporation, including:
 - maintaining or preparing the entity's, or related entity's, accounting records;
 - preparing the financial statements or preparing financial statements which form the basis of the financial statements on which the audit report is provided; or
 - preparing or originating source data underlying such financial statements.
- Financial information systems design and implementation.
- Appraisal or valuation services, fairness opinions or contribution-in-kind reports.
- Actuarial services.
- Contract internal audit services.
- Assurance services.
- Management functions.
- Legal support services.
- Human resource services.
- Corporate finance services such as broker-dealer, investment adviser or investment banking services.
- Expert services unrelated to the audit.
- Any services entailing a contingent fee or commission (not including fees awarded by a bankruptcy court when the audit client is in bankruptcy).
- Tax services to an officer of the audit client whose role is in a financial reporting oversight capacity (regardless of whether the audit client or the officer pays the fee for the services).