



**Notice of Annual and Special Meeting of Shareholders**

**and**

**Management Information Circular**

**For Meeting to be held on June 22, 2018**

**East Africa Metals Inc.**  
Suite 700, 1055 West Georgia Street  
Vancouver, British Columbia  
V6E 3P3

May 18, 2018

## EAST AFRICA METALS INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders of common shares of East Africa Metals Inc. (the “**Company**”) will be held at Suite 700, 1055 West Georgia Street, Vancouver, British Columbia on June 22, 2018 at 10:00 a.m. (Vancouver time) for the following purposes:

1. To receive and consider the Company’s audited consolidated financial statements and management’s discussion and analysis of the Company for the year ended December 31, 2017, together with the report of the auditors thereon;
2. To elect the directors of the Company for the ensuing year;
3. To appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and authorize the directors to fix their remuneration;
4. To consider and, if deemed appropriate, pass, with or without variation, a resolution to approve an amendment of the Company’s stock option plan, as described in the accompanying management information circular;
5. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

This notice is accompanied by a management information circular, a financial statement request form, and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. A copy of the audited consolidated financial statements and management’s discussion and analysis of the Company for the year ended December 31, 2017, were previously sent by mail or email on May 1, 2018 to shareholders who requested such documents. Shareholders are able to request to receive copies of the Company’s annual and/or interim financial statements and related management’s discussion and analysis by marking the appropriate box(es) on the request for financial statements. The audited consolidated financial statements and management’s discussion and analysis of the Company for the year ended December 31, 2017, are otherwise available upon request to the Company or they can be found under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company’s website at [www.eastafricametals.com](http://www.eastafricametals.com).

The board of directors of the Company has by resolution fixed the close of business on May 18, 2018 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

The board of directors of the Company has by resolution fixed 10:00 a.m. (Vancouver time) on June 20, 2018, or no later than 48 hours before the time of any adjourned meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company’s transfer agent.

**DATED** at Vancouver, British Columbia this 18<sup>th</sup> day of May, 2018.

By Order of the Board of Directors

*“Andrew Lee Smith”*

Andrew Lee Smith  
Chief Executive Officer

**Registered shareholders who are unable to attend the Meeting are requested to complete, date, sign and return their form of proxy in the enclosed envelope. If you are a non-registered shareholder of the Company 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 by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.**

**EAST AFRICA METALS INC.**

Suite 700, 1055 West Georgia Street  
Vancouver, British Columbia  
V6E 3P3

Tel: (604) 488-0822

Fax: (604) 899-1240

Email: investors@eastafricametals.com

**MANAGEMENT INFORMATION CIRCULAR**

Unless otherwise stated, the information contained in this management information circular is as of May 18, 2018 and dollar amounts referenced herein are expressed in Canadian dollars, unless otherwise stated.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The Company is providing this management information circular and either a form of proxy for registered shareholders or a voting instruction form for non-registered shareholders (see below under “Non-Registered Shareholders”) in connection with management’s solicitation of proxies for use at the annual and special meeting (the “**Meeting**”) of holders of common shares (the “**Common Shares**”) of the Company to be held at Suite 700 – 1055 West Georgia Street, Vancouver, British Columbia on June 22, 2018 at 10:00 a.m. (Vancouver time) and at any adjournments thereof. References in this management information circular to the Meeting include any adjournment or adjournments thereof. It is expected that the solicitation will be primarily by mail, however, proxies may also be solicited personally by regular employees of the Company and the Company may use the services of an outside proxy solicitation agency to solicit proxies. The costs of solicitation will be borne by the Company.

**Completion and Return of Proxies**

Completed proxies must be deposited at the office of the Company’s registrar and transfer agent, Computershare Investor Services Inc., either at its office at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

**Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A shareholder desiring to appoint some other person, who need not be a shareholder, to represent him at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the office of the Company’s transfer agent indicated on the enclosed envelope no later than 10:00 a.m. (Vancouver time) on June 20, 2018, or no later than 48 hours before the time of any adjourned meeting (excluding Saturdays, Sundays and holidays).**

A shareholder forwarding the enclosed proxy may indicate the manner in which the appointee is

to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a shareholder or by a shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the registered office of the Company (Suite 700 – 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3) at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting prior to its commencement or in any other manner permitted by law.

**Only registered shareholders have the right to revoke a proxy in this manner. Non-Registered Shareholders (as defined below) who wish to change their vote must arrange for their Intermediary (as defined below) to revoke the proxy on their behalf.**

### **Exercise of Discretion by Proxies**

The persons named in the enclosed form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of all the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this management information circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### **Non-Registered Shareholders**

**The information set out in this section is important to many shareholders of the Company as a substantial number of shareholders do not hold their Common Shares in their own name.**

**Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting.** Most shareholders of the Company are “non-registered” shareholders (“**Non-Registered Shareholders**”) because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. The Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders: (i) those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial

Owners); and (ii) those who do not object to their name being made known to the issuers of securities which they own (called “**NOBOs**” for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of Reporting Issuers* (“**NI 54-101**”) and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Company has decided to take advantage of those provisions of NI 54-101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive copies of the Notice of Meeting, this management information circular and a voting instruction form (which includes a place to request copies of the Company’s annual and/or interim financial statements and related management’s discussion and analysis) (collectively, the “**Meeting Materials**”) from the Company’s transfer agent, Computershare Investor Services Inc. The voting instruction form is to be completed and returned to Computershare Investor Services Inc. in the envelope provided. Computershare Investor Services Inc. will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, via the internet or by telephone.

With respect to OBOs, in accordance with applicable securities law requirements, the Company will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for distribution to such Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless they have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the OBO and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the OBO when submitting the proxy. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.**

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

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of May 18, 2018, 162,760,091 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of shareholders entitled to receive notice of, and to vote at, the Meeting has been fixed as May 18, 2018. In accordance with the provisions of the *Canada Business Corporations Act* (the “**CBCA**”), the Company will prepare a list of holders of Common Shares as of such record date. Each holder of Common Shares named in the list will be entitled to vote the shares shown opposite their name on the list at the Meeting. All such holders of record of Common Shares are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company’s transfer agent within the time specified in the accompanying Notice of Meeting, to attend and vote thereat by proxy the Common Shares held by them.

To the knowledge of the Company’s directors and executive officers, and based on existing information as of the date hereof, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except as set forth in the table below.

Name of Shareholder <sup>(1)</sup>	Number and Percent of Common Shares Held
Sinotech Minerals Exploration Co., Ltd. <sup>(2)(3)(4)</sup>	37,788,062 (23.2%)
Shandong Tyan Home Co., Ltd. <sup>(5)(6)</sup>	20,000,000 (12.3%)

### Notes

- (1) The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the shareholder.
- (2) Sinotech Minerals Exploration Co., Ltd. (“**Sinotech**”), through its subsidiary SinoTech (Hong Kong) Corporation Limited, has beneficial ownership and control of 37,788,062 Common Shares.
- (3) Dr. Jingbin Wang, a director and Chairman of the Company, is Chairman of Sinotech. Dr. Wang also holds 674,754 Common Shares and options to acquire 2,086,896 Common Shares. These options include 339,810 options (“**Tigray Options**”) granted by Tigray Resources Inc. (“**Tigray**”). Upon exercise of the 339,810 Tigray Options, Dr. Wang will receive 186,896 Common Shares. Pursuant to the Arrangement (as defined under “Interest of Informed Persons in Material Transactions” below), all holders of outstanding Tigray Options and share purchase warrants issued by Tigray (“**Tigray Warrants**”) are entitled to receive upon the subsequent exercise thereof, for the same aggregate consideration payable, the number of Common Shares and Common Share purchase warrants of the Company on the basis of the Exchange Ratio (as defined under “Interest of Informed Persons in Material Transactions” below), to reflect the consideration to be received by Tigray Shareholders (as defined herein) pursuant to the Arrangement.
- (4) Dr. Zhijun He, a director of the Company, is Deputy General Manager of Sinotech. Dr. He also holds options to acquire 500,000 Common Shares.
- (5) Shandong Tyan Home Co., Ltd. (“**STH**”), through its subsidiary, Tianye Jirui Gold (Hongkong) Limited, has beneficial ownership and control of an aggregate of 20,000,000 Common Shares and 10,000,000 Common Share purchase warrants. Each Common Share purchase warrant entitles the holder to acquire one Common Share at an exercise price of \$0.45 until September 7, 2018.
- (6) Mr. Yongwen Wang, a director of the Company, is a director and General Manager of STH. Mr. Wang also holds options to acquire 500,000 Common Shares.

## STATEMENT OF EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing the compensation of its directors and named executive officers in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*.

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides information regarding compensation paid, payable, awarded to, or earned by the Company's Chief Executive Officer, Chief Financial Officer, Vice President, Exploration, Business Development, and President of Canaco Tanzania Limited (together, the "Named Executive Officers") and any director who is not a Named Executive Officer for the financial years ended December 31, 2017 and 2016. There were no other executive officers of the Company or individuals who individually earned more than \$150,000 in total compensation.

### Table of Compensation Excluding Compensation Securities

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees <sup>(1)</sup> (\$)	Value of perquisites <sup>(2)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Andrew Lee Smith President, CEO and Director	2017	\$250,000 <sup>(3)</sup>	\$50,000 <sup>(4)</sup>	\$9,000 <sup>(4)</sup>	Nil	Nil	\$309,000
	2016	\$250,000 <sup>(3)</sup>	Nil	\$9,000 <sup>(4)</sup>	Nil	Nil	\$259,000
Peter Granata Chief Financial Officer	2017	\$118,490	\$25,000	Nil	Nil	Nil	\$143,490
	2016	\$95,052	Nil	Nil	Nil	Nil	\$95,052
Jeffrey Heidema Vice President Exploration	2017	\$142,188	\$30,000	Nil	Nil	Nil	\$172,188
	2016	\$114,062	Nil	Nil	Nil	Nil	\$114,062
Jingbin Wang Director	2017	Nil	\$5,475	\$18,250	Nil	Nil	\$23,725
	2016	Nil	Nil	\$18,250	Nil	Nil	\$18,250
Antony Harwood Director	2017	Nil	\$3,750	\$9,750 <sup>(5)</sup>	Nil	Nil	\$13,500
	2016	Nil	Nil	\$12,500 <sup>(5)</sup>	Nil	Nil	\$12,500
Zhijun He <sup>(6)</sup> Director	2017	Nil	Nil	\$8,000	Nil	Nil	\$8,000
	2016	Nil	Nil	\$4,250	Nil	Nil	\$4,250
David Parsons Director	2017	Nil	\$4,808	\$16,000	Nil	Nil	\$20,808
	2016	Nil	Nil	\$16,000	Nil	Nil	\$16,000
Sean Waller <sup>(7)</sup> Director	2017	\$87,250 <sup>(7)</sup>	\$2,250	\$8,750 <sup>(7)</sup>	Nil	Nil	\$98,250
	2016	\$49,750 <sup>(7)</sup>	Nil	\$5,625 <sup>(7)</sup>	Nil	Nil	\$55,375
Yongwen Wang <sup>(8)</sup> Director	2017	Nil	Nil	\$6,875	Nil	Nil	\$6,875
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Ge Mao <sup>(9)</sup> Former Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	\$5,500	Nil	Nil	\$5,500

#### Notes

- (1) Represents all fees awarded, earned, paid or payable in cash for services as a director and member of a Board committee. Director fees in 2016 were accrued and paid in 2017 for all but two directors. Director fees in 2017 were accrued and a portion of the fees remain unpaid.
- (2) The value of perquisites, if any, was less than the lesser of \$15,000 or 10% of the total annual salary or fee.
- (3) Consulting fees paid to Iron Mask Explorations Ltd., a company controlled by Mr. Smith, for services provided by Mr. Smith as President and CEO.
- (4) Director fees and bonus paid to Iron Mask Explorations Limited.

- (5) Director fees were paid to Global Mining Services, a company controlled by Dr. Harwood.  
 (6) Dr. He was elected director of the Company on June 24, 2016.  
 (7) Mr. Waller was appointed director of the Company on March 14, 2016. Consulting fees and director fees paid to SW Project Management Ltd., a company controlled by Mr. Waller.  
 (8) Mr. Wang was appointed director of the Company on March 7, 2017.  
 (9) Ms. Mao ceased to be a director of the Company on June 24, 2016.

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to Named Executive Officers and directors during the most recently completed financial year ended December 31, 2017 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Andrew Lee Smith <sup>(1)</sup> President, CEO and Director	Common Shares	1,000,000 <sup>(2)</sup>	Dec 15, 2017 <sup>(2)</sup>	0.10	0.10	0.28	N/A
Peter Granata <sup>(3)</sup> Chief Financial Officer	Common Shares	125,000 <sup>(2)</sup>	Jan. 26, 2018 <sup>(2)</sup>	0.10	0.10	0.28	N/A
	Common Shares	375,000 <sup>(2)</sup>	not issued yet <sup>(2)</sup>	0.10	0.10	0.28	N/A
Jeffrey Heidema <sup>(4)</sup> Vice President Exploration	Common Shares	125,000 <sup>(2)</sup>	Jan. 26, 2018 <sup>(2)</sup>	0.10	0.10	0.28	N/A
	Common Shares	375,000 <sup>(2)</sup>	not issued yet <sup>(2)</sup>	0.10	0.10	0.28	N/A
Jingbin Wang <sup>(5)</sup> Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Antony Harwood <sup>(6)</sup> Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Zhijun He <sup>(7)</sup> Director	Stock Options	500,000	Apr. 26, 2017	0.285	0.28	0.28	Apr. 25, 2022
David Parsons <sup>(8)</sup> Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Sean Waller <sup>(9)</sup> Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Yongwen Wang <sup>(10)</sup> Director	Stock Options	500,000	Apr. 26, 2017	0.285	0.28	0.28	Apr. 25, 2022
Ge Mao Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

#### Notes

- (1) As at December 31, 2017, Mr. Smith held options to purchase 2,900,000 Common Shares.  
 (2) As additional consideration for certain officers and consultants entering into an employment or consulting agreement with the Company, the Compensation Committee recommended and the Board has, on March 23, 2016, approved a one-time payment of bonus by issuance of Common Shares to certain officers and consultants. The issuance of these Common Shares was subject to: (1) approval of TSX Venture Exchange ("TSXV") (approved) and disinterested shareholders (approved); (2) a vesting schedule of the later of July 1, 2016 or the date a mining license for the Company's Harvest project was issued (issued); and (3) a voluntary hold period expiring March 1, 2017 (expired). 1,000,000 bonus shares were issued to a company controlled by Mr. Smith on December 15, 2017. On January 26, 2018, the Company issued 125,000 of the bonus shares to



Mr. Heidema and to Mr. Granata's spouse. The bonus shares were subject to any applicable hold periods required by the TSXV and applicable securities laws.

- (3) As at December 31, 2017, Mr. Granata held options to purchase 1,050,000 Common Shares.
- (4) As at December 31, 2017, Mr. Heidema held options to purchase 950,000 Common Shares.
- (5) As at December 31, 2017, Dr. Wang held options to purchase 2,086,896 Common Shares. These options include 339,810 Tigray Options. Upon exercise of the 339,810 Tigray Options, Dr. Wang will receive 186,896 Common Shares.
- (6) As at December 31, 2017, Dr. Harwood held options to purchase 1,600,000 Common Shares.
- (7) As at December 31, 2017, Dr. He held options to purchase 500,000 Common Shares.
- (8) As at December 31, 2017, Mr. Parsons held options to purchase 1,165,000 Common Shares. These options include 300,000 Tigray Options. Upon exercise of the 300,000 Tigray Options, Mr. Parsons will receive 165,000 Common Shares.
- (9) As at December 31, 2017, Mr. Waller held options to purchase 900,000 Common Shares.
- (10) As at December 31, 2017, Mr. Wang held options to purchase 500,000 Common Shares.

### ***Exercise of Compensation Securities by Directors and Named Executive Officers***

The following table sets out all exercises of compensation securities by Named Executive Officers and directors during the most recently completed financial year ended December 31, 2017.

<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price of security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date (\$)</b>
Andrew Lee Smith President, CEO and Director	Stock Options	302,500	0.191	Apr 28, 2017	0.265	0.074	22,385
	Warrants	257,784	0.23	May 8, 2017	0.240	0.01	2,578
Peter Granata Chief Financial Officer	Stock Options	82,500	0.191	Apr 28, 2017	0.265	0.074	6,105
	Warrants	34,600	0.23	May 3, 2017	0.255	0.025	865
Jeffrey Heidema Vice President Exploration	Stock Options	110,000	0.191	Apr 28, 2017	0.265	0.074	8,140
	Warrants	10,000	0.23	May 5, 2017	0.245	0.02	150
	Warrants	31,401	0.23	May 8, 2017	0.240	0.01	314
Jingbin Wang Director	Stock Options	5,604	0.191	May 5, 2017	0.245	0.054	303
	Warrants	142,800	0.23	May 5, 2017	0.245	0.015	2,142
Antony Harwood Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Zhijun He Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
David Parsons Director	Warrants	104,080	0.23	May 5, 2017	0.245	0.015	1,561
Sean Waller Director	Stock Options	100,000	\$0.10	May 9, 2017	0.230	0.13	13,000
	Warrants	4,560	0.23	Apr 27, 2017	0.28	0.05	228
Yongwen Wang Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ge Mao Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

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

The Company has a "fixed" stock option plan dated March 28, 2013, as amended and restated on May 8, 2015 and May 5, 2017 (subject, for certain amendments, to approval of the Option Plan Resolution) (the "**Option Plan**"), which was approved by the Company's shareholders on June 23, 2017. The purpose of the Option Plan is to enhance the Company's ability to

compensate employees, officers and directors and others providing services to the Company by means other than cash incentives to allow such persons an opportunity to participate in the success of the Company. The granting of options is intended to align the interests of such persons with that of the Company's shareholders.

Pursuant to the Option Plan, options entitling the purchase of an aggregate of 28,710,635 Common Shares may be issued upon exercise of options to directors, officers, employees, and consultants or management company employees of the Company from time to time (upon approval of the Option Plan Resolution, the Option Plan will entitle the Company to grant an aggregate of 32,552,018 options). Since May 5, 2017, 1,451,250 Common Shares have been issued pursuant to exercise of options. As of the date hereof, 15,440,943 Common Shares are issuable under previously granted and outstanding stock options, and the number of Common Shares available for future grants of stock options under the Option Plan is 11,818,442 (upon approval of the Option Plan Resolution, an aggregate of 17,111,075 options will be available for future grants). See "Matters to be Acted Upon at the Meeting – Approval of Amendment of Option Plan". If stock options expire or otherwise terminate for any reason without having been exercised, the number of Common Shares in respect of the expired or terminated stock options will again be available for grant. The exercise price of the stock options must be paid for in full at the time of such exercise.

The aggregate number of options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued shares of the Company in any 12 month period. The aggregate number of options granted to any one consultant (other than an employee or director of the Company) in a 12 month period must not exceed 2% of the issued shares of the Company. The Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion, provided that if required by any stock exchange on which the Common Shares trade, options issued to a Person conducting Investor Relations Activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three month period.

Except as otherwise determined by the Board and subject to the limitation that options may not be exercised later than 10 years from their date of grant, if a participant ceases to be an eligible person for any reason whatsoever other than death, each option held by the participant will cease to be exercisable 90 days after the termination date, or such longer period as determined by the Board. If any portion of an option is not vested by the termination date, that portion of the option may not be exercised by the participant or by a permitted assign of such participant unless the Board determines otherwise. For greater certainty, any such determination regarding the period for exercise or vesting of options made by the Board may be made at any time subsequent to the date of grant of options, provided, however, that the Board may not extend the period for exercise beyond the expiry date of the option. If a participant ceases to be an eligible person because their relationship with the Company or an affiliate of the Company is terminated by the Company or an affiliate of the Company, as applicable, for cause, such participant's options shall cease to be exercisable immediately upon the termination date.

Options are exercisable at exercise prices as determined by the Board, which will not be less than the closing price of the Common Shares on the day immediately prior to the date of grant, less a discount of up to 25%, with the amount of the discount varying with the market price of the Common Shares in accordance with the policies of the TSXV.

The Option Plan permits:

- (a) The aggregate number of Common Shares reserved for issuance under stock options granted to insiders (as a group) at any point in time to exceed 10% of the issued Common Shares;
- (b) The grant to insiders (as a group), within a 12 month period, of an aggregate number of options to exceed 10% of the issued Common Shares, calculated on the date an option is granted to any insider; and
- (c) The aggregate number of options granted to any one person (and companies wholly owned by that person) within a 12 month period to exceed 5% of the issued Common Shares, calculated on the date an option is granted to the person.

Except as otherwise set out below, the Board shall seek shareholder and regulatory approval for any amendments to the Option Plan. The approval of disinterested shareholders will be required for any reduction in the exercise price of a previously granted option to an insider of the Company. The Board may discontinue the Option Plan at any time without first obtaining shareholder approval, provided that, without the consent of a participant, such discontinuance may not in any manner adversely affect the participant's rights under any Option granted under the Option Plan.

The Board may, subject to receipt of requisite regulatory approval, where required, and without further shareholder approval, in its sole discretion make the following amendments to the Option Plan:

- (a) amending typographical, clerical and grammatical errors;
- (b) reflecting changes to applicable securities laws;
- (c) changing the termination provisions of an option or the Option Plan which do not entail an extension beyond the original expiry date;
- (d) including the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Option Plan reserve; and
- (e) ensuring that the options granted under the Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant may from time to time be resident or a citizen.

Notwithstanding the foregoing, the Company shall obtain requisite shareholder approval and where applicable, disinterested shareholder approval, in respect of amendments to the Option Plan to the extent such approval is required by any applicable laws or regulations.

## **Employment, Consulting and Management Agreements**

### ***President and Chief Executive Officer***

The Company's President and Chief Executive Officer, Andrew Lee Smith, provided management and consulting services to the Company pursuant to a consulting agreement with Iron Mask Explorations Ltd. ("**IMX**") dated January 1, 2016 (the "**IMX Consulting Agreement**"). Pursuant to such agreement, the Company may terminate the IMX Consulting Agreement upon

written notice at any time and by providing IMX with (i) a lump sum payment equal to \$750,000, (ii) payment of all outstanding fees accrued to the date of termination, (iii) reimbursement of any outstanding expenses, and (iv) immediate vesting of all unvested stock options, if any, as of the date of termination (collectively, the “**CEO Termination Payment**”). In the event the Company enters into a written agreement providing for a “corporate transaction” (as defined in the IMX Consulting Agreement) or a corporate transaction occurs and within six months IMX delivers notice of termination or the Company terminates the IMX Consulting Agreement, IMX will be entitled to items (i), (ii) and (iii) of the CEO Termination Payment, and will also be entitled to the immediate vesting of all unvested stock options, if any, as of the date the notice of termination is delivered. Pursuant to the IMX Consulting Agreement, IMX agreed to defer up to 20% of the consulting fees based on the Board’s determination for the need for capital preservation provided that applicable service taxes will not be deferred and any fees deferred will be due and payable upon termination of the agreement. The IMX Consulting Agreement will expire on December 31, 2019 unless renewed by written notice provided by the Company to IMX 30 days prior to the expiry date and agreed to by IMX before the expiry date. If the IMX Consulting Agreement expires without being renewed, IMX will not be entitled to the lump sum payment referred to in item (i) of the CEO Termination Payment and the unvested stock options will not vest upon expiry of the IMX Consulting Agreement. As additional consideration for IMX entering into the IMX Consulting Agreement, the Company agreed to issue (and has now issued) to IMX a bonus by issuance of 1,000,000 Common Shares, as set out under “Statement of Executive Compensation – Stock Options and Other Compensation Securities”.

### ***Chief Financial Officer***

The Company’s Chief Financial Officer, Peter Granata, provides management services to the Company pursuant to an employment agreement dated January 1, 2016.

Pursuant to such agreement, in the event that Mr. Granata is terminated without cause, he is entitled to a lump sum equal to three months plus one month per completed year of service calculated from initial commencement of employment, up to a maximum of 12 months (the “**CFO Severance Period**”) of Mr. Granata’s salary, payable at the discretion of the Company in cash, Common Shares in lieu thereof, or a combination of cash and Common Shares in lieu thereof, save and except any withholding tax payments shall be paid in cash and remitted to Canada Revenue Agency and three months salary shall be made in cash, and his benefits will continue until the end of the CFO Severance Period or Mr. Granata securing alternate coverages from another source (the “**CFO Severance**”), and all unvested stock options will vest as of the termination date. In the event there is a change of control, and within six months the Company terminates the agreement without cause or a triggering event occurs and Mr. Granata gives written notice of resignation within 90 days of the triggering event, Mr. Granata shall be entitled to receive the CFO Severance, provided that in calculating the CFO Severance, the CFO Severance Period shall be 12 months. Pursuant to the agreement, Mr. Granata agreed that the Company may require him to reduce his normal work schedule and his pay will be based on the reduced number of hours. As additional consideration for Mr. Granata entering into the employment agreement, the Company agreed to issue Mr. Granata a bonus by issuance of 500,000 Common Shares, 125,000 of which Common Shares have now been issued, as set out under “Statement of Executive Compensation – Stock Options and Other Compensation Securities”.

### ***Vice President, Exploration***

The Company’s Vice President, Exploration, Jeffrey Heidema, provides management services to the Company pursuant to an employment agreement dated January 1, 2016.

Pursuant to such agreement, in the event that Mr. Heidema is terminated without cause, he is entitled to a lump sum equal to three months plus one month per completed year of service calculated from initial commencement of employment, up to a maximum of 12 months (the “**VPEX Severance Period**”) of Mr. Heidema’s salary, payable at the discretion of the Company in cash, Common Shares in lieu thereof, or a combination of cash and Common Shares in lieu thereof, save and except any withholding tax payments shall be paid in cash and remitted to Canada Revenue Agency and three months salary shall be made in cash, and his benefits will continue until the end of the VPEX Severance Period or Mr. Heidema securing alternate coverages from another source (the “**VPEX Severance**”), and all unvested stock options will vest as of the termination date. In the event there is a change of control, and within six months the Company terminates the agreement without cause or a triggering event occurs and Mr. Heidema gives written notice of resignation within 90 days of the triggering event, Mr. Heidema shall be entitled to receive the VPEX Severance provided that in calculating the VPEX Severance, the VPEX Severance Period shall be 24 months. Pursuant to the agreement, Mr. Heidema agreed that the Company may require him to reduce his normal work schedule and his pay will be based on the reduced number of hours. As additional consideration for Mr. Heidema entering into the employment agreement, the Company agreed to issue Mr. Heidema a bonus by issuance of 500,000 Common Shares, 125,000 of which Common Shares have now been issued, as set out under “Statement of Executive Compensation – Stock Options and Other Compensation Securities”.

***Estimated Incremental Payments on Change of Control and Termination without Cause***

The following table provides details regarding the estimated incremental payments from the Company to each of the Named Executive Officers on termination without cause, a corporate transaction (in the case of Mr. Smith) or a change of control (including a termination of engagement within six months of a triggering event), assuming the triggering event occurred on December 31, 2017.

<b>Compensation<sup>(1)</sup></b>	<b>Severance Payment – Termination</b>	<b>Severance Payment – Change of Control</b>	<b>Options</b>
Andrew Lee Smith	\$750,000	\$750,000	Immediately vest
Peter Granata	\$86,327 <sup>(2)</sup>	\$141,092 <sup>(3)</sup>	Immediately vest
Jeffrey Heidema	\$100,483 <sup>(4)</sup>	\$344,514 <sup>(5)</sup>	Immediately vest

**Notes**

- (1) These amounts do not include any taxes or statutory entitlements.
- (2) This amount includes the value of the continuation of all benefits for up to 7 months.
- (3) This amount includes the value of the continuation of all benefits for up to 12 months.
- (4) This amount includes the value of the continuation of all benefits for up to 7 months.
- (5) This amount includes the value of the continuation of all benefits for up to 24 months.

**Oversight and Description of Director and Name Executive Officer Compensation**

The Compensation Committee has the responsibility for determining compensation for the directors and senior management (including the Named Executive Officers) to be recommended to the Board for approval. The Compensation Committee reviews compensation paid to directors and executive officers of companies of similar size and stage of development in the mineral exploration/mining industry and determines appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. The Compensation Committee will annually review the performance of senior management in light of the Company’s objectives and consider other factors which may have impacted the success of the Company in achieving its objectives.

The Company's executive compensation program has two key elements:

1. **Base Compensation and Bonus** - The Company establishes a base compensation level unique to each executive that reflects the executive's business credentials, level and length of experience, past compensation history and existing levels of executive compensation. This ensures that the Company can attract experienced and qualified executives. The Company may also pay bonuses (or issue bonus shares) to its executives that are tied to performance criteria and goals established from time to time. Base compensation and bonuses are recommended by the Compensation Committee and approved by the Board.
2. **Corporate Share Ownership** - The Company's Option Plan provides an opportunity for each executive to acquire equity in the Company. Ownership of Common Shares aligns the interests of executives with that of the shareholders, and encourages them to focus on increasing shareholder value. Option grants are recommended by the Compensation Committee and approved by the Board of Directors.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2017.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup></b>	<b>Weighted-average price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans <sup>(2)</sup></b>
Equity compensation plans approved by securityholders	15,440,943	\$0.127	11,818,442
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>15,440,943</b>	<b>\$0.127</b>	<b>11,818,442</b>

Notes

- (1) Represents the number of Common Shares reserved for issuance upon exercise of outstanding options granted under the Company's Option Plan as of December 31, 2017, including the Common Shares to be issued upon exercise of 1,539,389 Tigray Options. Upon exercise of the 1,539,389 Tigray Options, the holders thereof will receive 846,665 Common Shares.
- (2) Represents the number of Common Shares remaining available for future issuance upon exercise of stock options that may be granted under the Option Plan as of December 31, 2017. The maximum number of Common Shares which may be issued pursuant to stock options granted under the Option Plan and any other security-based compensation plans of the Company is 28,710,635. Upon approval of the Option Plan Resolution, the maximum number of Common Shares which may be issued pursuant to stock options granted under the Option Plan and any other security-based compensation plans of the Company will be 32,552,018. See "Matters to be Acted Upon at the Meeting – Approval of Amendment of Option Plan".

Material terms of the Company's Option Plan are set out under "Statement of Executive Compensation – Stock Option Plan".

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

No (a) director or executive officer of the Company who has held such position at any time since January 1, 2017; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by

way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than certain directors and executive officers of the Company having an interest in the resolutions regarding the approval of the Option Plan Resolution as such persons are eligible to participate in such plan. A description of the Option Plan Resolution and new control person resolution is set out under "Particulars of Matters to be Acted Upon – Approval of Amendment of Option Plan".

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed below, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries since January 1, 2017.

### Arrangement

On May 7, 2014, the Company acquired all of the issued and outstanding common shares of Tigray (the "**Tigray Shares**"), by way of a statutory plan of arrangement (the "**Arrangement**") under section 192 of the CBCA. Pursuant to the Arrangement, among other things, holders of Tigray Shares ("**Tigray Shareholders**") other than the Company, as at the effective time of the Arrangement, were entitled to receive 0.55 of a Common Share and 0.40 of a Warrant for each Tigray Share held (the "**Exchange Ratio**"). Each whole Warrant entitles the holder to acquire one Common Share at a price of \$0.23 until May 7, 2017. Pursuant to the Arrangement, all holders of outstanding Tigray Warrants and Tigray Options are entitled to receive upon the subsequent exercise thereof, for the same aggregate consideration payable, the number of Common Shares and Warrants on the basis of the Exchange Ratio, to reflect the consideration received by Tigray Shareholders pursuant to the Arrangement. Prior to the Arrangement, a control person of the Company was also a control person of Tigray, two directors of the Company were also directors of Tigray, and the Chief Executive Officer, Chief Financial Officer and Vice President Exploration of the Company were also the Chief Executive Officer, Chief Financial Officer and Vice President Exploration of Tigray.

### Private Placement

On March 7, 2017, the Company issued 20,000,000 units of the Company at a price of \$0.26 per unit for gross proceeds of \$5,200,000 to STH. Each unit consisted of one Common Share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one Common Share until September 7, 2018 at a price of \$0.45 per Common Share. Immediately following the closing of the private placement, STH held 20,000,000 Common Shares and 10,000,000 share purchase warrants of the Company, representing approximately 20.0% of the then outstanding Common Shares of the Company, assuming exercise in full of the share purchase warrants acquired. On March 7, 2017, Mr. Yongwen Wang, a director and General Manager of STH, was appointed a director of the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at May 18, 2018, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which is 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, entered into in connection with a purchase of securities or otherwise, except as disclosed below:

<b>Aggregate Indebtedness (\$)</b>		
<b>Purpose</b>	<b>To the Company or its Subsidiaries</b>	<b>To Another Entity</b>
Share purchases	Nil	Nil
Other	\$2,155.86 <sup>(1)</sup>	Nil

Note

(1) On April 28, 2017, the Company loaned \$2,155.86 to David Parsons, a Director of the Company, \$11,888 to the Chief Financial Officer of the Company, \$14,159 to the Vice President Exploration, and \$17,037 to certain employees. The loans are unsecured, accrue interest at an annual rate of 1.25%, and mature on December 31, 2017. As of December 31, 2017 all loans and accrued interests have been repaid except for a loan of \$2,155.86 to Mr. Parsons, which remains outstanding as of the date hereof.

### **MANAGEMENT CONTRACTS**

Except as described herein, no management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

### **CORPORATE GOVERNANCE DISCLOSURE**

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

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below, in accordance with Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*.

#### **Independence of the Board**

For the financial year ended December 31, 2017, the Board consisted of seven directors, five of whom are considered by the Board to be independent on the basis that they do not have a material relationship with the Company which could, in the view of the Board, be reasonably expected to interfere with the exercise of their independent judgment. Andrew Lee Smith is not independent as he is also the President and Chief Executive Officer of the Company, and Sean Waller is not independent as he provides consulting services to the Company.

The Chairman of the Board, Dr. Jingbin Wang, is considered by the Board to be an independent director. For the financial year ended December 31, 2017, there were no meetings of the independent directors.



## Management Supervision by Board

To facilitate the Board's independent supervision over management, the following structures and processes are in place:

- (a) there are no members of management on the Board, other than the Chief Executive Officer of the Company;
- (b) when appropriate, members of management, including the Chief Executive Officer, are not present for the discussion and determination of certain matters at meetings of the Board;
- (c) the compensation of the Chief Executive Officer and other executive officers are considered, in their absence, by the Compensation Committee at least once a year; and
- (d) in addition to the standing committees of the Board, independent committees are appointed from time to time, when appropriate.

## Role of Chairman

The role of the Chairman of the Board is to chair all meetings of the Board in a manner that promotes meaningful discussion, and to provide leadership to the Board to enhance the Board's effectiveness in meeting its responsibilities. The Chairman's responsibilities include ensuring that the Board works together as a cohesive team with open communication and that a process is in place by which the effectiveness of the Board, its committees and its individual directors can be evaluated on a regular basis. The Chairman also acts as a liaison between the Board and management to ensure that the relationship between the Board and management is professional and constructive and ensures that the allocation of responsibilities and the boundaries between Board and management are clearly understood.

## Directorships

The following table provides details regarding directorships held by the directors and nominee directors of the Company in other reporting issuers.

Name of Director and Nominee Director	Name of Other Reporting Issuer
Antony Harwood	Montero Mining and Exploration Ltd. (since 2011) Tesoro Minerals Corp. (since 2013)
Zhijun He	Nickel North Exploration Corp (since 2017)
David Parsons	None
Andrew Lee Smith	Nickel North Exploration Corp (since 2014) True North Gems Inc. (since 2002) Ultra Lithium Inc. (since 2015)
Sean Waller	Candente Copper Corp. (since 2009)
Jingbin Wang	Nickel North Exploration Corp. (since 2012)
Yongwen Wang	Shandong Tyan Home Co., Ltd. (since 2007)

## **Orientation and Continuing Education**

The Chief Executive Officer of the Company is responsible for ensuring that new directors are provided with an orientation and education program which will include information about the duties and obligations of directors, the business and operations of the Company, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education of the Company's directors, the Chief Executive Officer of the Company will: (a) periodically canvas the directors to determine their training and education needs and interests; (b) arrange ongoing visitation by directors to the Company's operations; (c) arrange the funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Company; and (d) encourage and facilitate presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.

## **Ethical Business Conduct**

On March 28, 2013, the Board adopted a written Code of Business Conduct and Ethics (the "**Code**") for its directors, officers, employees and consultants. A copy of the Code is available on the Company's website at [www.eastafricametals.com](http://www.eastafricametals.com).

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to employees, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

The Board takes steps to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer of the Company has a material interest, which include ensuring that directors and officers are familiar with the Code and, in particular, rules concerning reporting conflicts of interest and obtaining direction from the Chief Executive Officer of the Company regarding any potential conflicts of interest.

The Code provides specific guidelines and policies for dealing with situations that may be encountered in the workforce in order to promote an open and positive work environment. The Code details the Company's policies on: employee relations, harassment and anti-discrimination; and business and governmental relations, among other things.

The Code allows directors, officers and employees who feel a violation has occurred to report the actual or potential compliance infraction to the Chairman of the Audit Committee, on a confidential, anonymous basis. Following receipt of any complaints, the Audit Committee will investigate each matter and take corrective disciplinary actions if appropriate.

## **Nomination of Directors**

The corporate governance, compensation and nominating committee (the "**Corporate Governance, Compensation and Nominating Committee**") has responsibility for identifying potential Board candidates. The Corporate Governance, Compensation and Nominating Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

## **Compensation of Directors and the Chief Executive Officer**

Disclosure of person who determines the compensation and process of determining compensation for the directors and CEO is set out under “Statement of Executive Compensation – Oversight and Description of Director and Named Executive Officer Compensation”.

### **Board Committees**

The Company has three committees of the Board at present, being the Audit Committee, the Corporate Governance, Compensation and Nominating Committee, and the Project Development Committee.

The Audit Committee is comprised of three of the Company’s seven directors: David Parsons (Chairman), Sean Waller and Yongwen Wang, two of whom are considered to be independent. Mr. Waller is not considered independent as he provides consulting services to the Company.

The Corporate Governance, Compensation and Nominating Committee is comprised of three of the Company’s seven directors: Jingbin Wang (Chairman), Andrew Lee Smith and David Parsons, two of whom are considered to be independent. Mr. Smith is not independent as he is the President and Chief Executive Officer of the Company.

The Project Development Committee is comprised of four of the Company’s seven directors, Sean Waller (Chairman), Andrew Lee Smith, Antony Harwood and Zhijun He, and three members who are not directors of the Company. Mr. Waller and Mr. Smith are not considered to be independent.

### **Assessments**

The Board, its Audit Committee and its individual directors are assessed regularly, at least on an annual basis, as to their effectiveness and contribution. In addition, the Chairman of the Board encourages discussion amongst the directors or the committee members, as the case may be, as to their evaluation of their own effectiveness over the course of the year. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or its committees at any time and are encouraged to do so.

### **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives.

## **AUDIT COMMITTEE DISCLOSURE**

### **The Audit Committee’s Charter**

The text of the Company’s Audit Committee Charter is attached to this management information circular as Schedule “A”.

### **Composition of the Audit Committee**

The following are the current members of the Audit Committee:

Name	Independence <sup>(1)</sup>	Financial Literacy <sup>(1)</sup>
David Parsons	Yes	Yes
Sean Waller	No	Yes
Yongwen Wang	Yes	Yes

Note

(1) As defined by NI 52-110.

### Relevant Education and Experience

A general description of the education and experience of each Audit Committee member which is relevant to the performance of their responsibilities as an Audit Committee member is contained in their respective biographies set out under “Particulars of Matters to be Acted Upon – Election of Directors – Director Biographies”.

### Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

### Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set forth under the heading “Specific Duties and Responsibilities of the Audit Committee – External Auditors” in the Company’s Audit Committee Charter which is attached to this management information circular as Schedule “A”.

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Company’s external auditors for financial years ending December 31, 2017 and 2016, are as follows:

Financial Year Ending December 31	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2017	\$71,853	Nil	\$65,063	Nil
2016	\$147,142	Nil	\$22,941	Nil

Notes

- (1) Services performed by the Company’s auditors in connection with the audit of the annual financial statements of the Company and its subsidiaries. In 2017, \$5,000 (2016 – \$64,675) was converted to \$6,490 (2016 – \$85,717) at the average exchange rate of US\$1.00 = C\$1.29797 (2016 – US\$1.00 = C\$1.32534) in connection with the audit of the financial statements of the Company’s subsidiaries.
- (2) Services performed by the auditors in connection with the review of quarterly financial statements in accordance with generally accepted standards for internal control reviews.

- (3) Services performed by the auditors in connection with tax compliance, tax advice, and tax planning in connection with the Company's subsidiaries in Tanzania. In 2017, US\$47,045 (2016 – US\$13,537) in tax fees were converted to \$61,063 (2016 – C\$17,941) at the average exchange rate of US\$1.00 = C\$1.29797 (2016 – US\$1.00 = C\$1.32534).
- (4) Services performed by the auditors not reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees".

### **Exemption in Section 6.1 of NI 52-110**

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirements of Part 5 (*Reporting Obligations*).

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Election of Directors**

The Company's Articles of Incorporation provide that the Board must consist of a minimum of one and a maximum of 10 directors. The Board currently consists of seven directors and the Board has fixed the number of directors to be elected at the Meeting at six. At the Meeting, the six persons named hereunder will be proposed for election as directors of the Company (the "**Nominees**"). **Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR the election of the Nominees.** Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. Each director elected will hold office until the close of the first annual meeting of shareholders of the Company following the director's election or until their successor is duly elected or appointed, unless their office is earlier vacated in accordance with the by-laws of the Company. Each of the Nominees was elected at the last annual meeting of the Company's shareholders held on June 23, 2017. Mr. Yongwen Wang, currently a director of the Company, will not stand for re-election, but will, however, continue to serve as a member of the Board until the date of the Meeting.

### **Advance Notice Requirement**

Section 3.05 of the Company's by-laws (the "**By-law**") requires advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders other than pursuant to: (i) a proposal made in accordance with the CBCA; or (ii) a requisition of the shareholders made in accordance with the CBCA. Among other things, the By-law fixes a deadline by which shareholders must submit director nominations to the corporate secretary of the Company prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in such notice for an effective nomination to occur. Pursuant to the By-law, no person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the By-law. Pursuant to the By-law, in the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made by the Company, notice may be made not later than the close of business on the 10<sup>th</sup> day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting was made.

The following table sets forth certain information with respect to each Nominee. Such information is as of May 18, 2018 and based upon information furnished by the respective Nominee. The principal occupations, businesses or employments of each of the Nominees for the past five years are disclosed in the brief biographies set forth below the table.

Name, Jurisdiction of Residence	Principal Occupation	Date First Became a Director of the Company	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
<b>Dr. Jingbin Wang</b> <sup>(1)</sup> Beijing, China	Chairman of Sinotech Minerals; President of Beijing Institute of Geology for Mineral Resource; and Vice President of China Nonferrous Metals Industry Association	March 28, 2013	674,754 <sup>(4)</sup>
<b>Andrew Lee Smith</b> <sup>(1)(2)</sup> British Columbia, Canada	Professional Geologist; President and Chief Executive Officer of the Company; Interim Chief Executive Officer of True North Gems Inc.; Interim President and Chief Executive Director of Nickel North Exploration Corp.; President of Iron Mask Explorations Limited, a private mining and exploration consulting firm	December 7, 2012	2,425,108 <sup>(5)</sup>
<b>Dr. Antony Harwood</b> <sup>(2)</sup> Kensington, South Africa	President and Chief Executive Officer of Montero Mining and Exploration Ltd.	March 28, 2013	Nil <sup>(6)</sup>
<b>Dr. Zhijun He</b> <sup>(2)</sup> Beijing, China	Deputy General Manager of Sinotech Minerals since 2014; Manager of Geological Services Division of Sinotech Minerals from 2013 to 2014; General Manager of Sinodrill Co., Ltd. from 2010 to 2014	June 24, 2016	Nil <sup>(7)</sup>
<b>David Parsons</b> <sup>(1)(3)</sup> British Columbia, Canada	Retired since 2016; previously Vice President, Insurance, of Goldcorp Inc.	June 19, 2014	387,523 <sup>(8)</sup>
<b>Sean Waller</b> <sup>(2)(3)</sup> British Columbia, Canada	Registered Professional Engineer; Director of East Africa Metals since 2017, and Director of Candente Copper Corp. since 2009, and a Past President of the Canadian Institute of Mining, Metallurgy and Petroleum	March 15, 2016	118,767 <sup>(9)</sup>

#### Notes

- (1) Member of the Corporate Governance, Compensation and Nominating Committee. Dr. Wang is the Chairman of the Corporate Governance, Compensation and Nominating Committee.
- (2) Member of Project Development Committee. Mr. Waller is the Chairman of the Project Development Committee.
- (3) Member of the Audit Committee. Mr. Parsons is the Chairman of the Audit Committee.
- (4) Dr. Wang also holds 2,086,896 stock options. These options include 339,810 Tigray Options. Upon exercise of the 339,810 Tigray Options, Dr. Wang will receive 186,896 Common Shares.
- (5) Mr. Smith also holds 2,900,000 stock options. As additional consideration for IMX entering into the IMX Consulting Agreement, the Company agreed to issue IMX a bonus by issuance of 1,000,000 Common Shares, as set out under "Statement of Executive Compensation – Stock Options and Other Compensation Securities".
- (6) Dr. Harwood holds 1,600,000 stock options.
- (7) Dr. He holds 500,000 stock options.
- (8) Mr. Parsons also holds 1,165,000 stock options. These options include 300,000 Tigray Options. Upon exercise of the 300,000 Tigray Options, Mr. Parsons will receive 165,000 Common Shares.
- (9) Of this total, 3,333 Common Shares are held by SW Project Management Ltd., a company controlled by Mr. Waller, and 5,700 Common Shares are held by Deborah McLean, his spouse. Mr. Waller also holds 900,000 stock options.

### **Director Biographies**

The principal occupations, businesses or employments of each of the Nominees within the past five years are as disclosed in the brief biographies set forth below.

**Dr. Jingbin Wang, Ph.D., Geology – Director and Chairman of the Board.** Dr. Wang is currently the Chairman of Sinotech Minerals since 2004. He is a leader in the non-ferrous metals industry in China as an expert in mineral exploration and mining with 30 years of experience. He has been granted the title of National Youth Expert for Outstanding Contribution in China for his great success in prospecting results and scientific research. Dr. Wang has also been President of Beijing Institute of Geology for Mineral Resources since 2002, and Vice President of China Nonferrous Metals Industry Association since 2008. Dr. Wang was a director of Goldrock until March 31, 2016, and was Executive Director of China Nonferrous Metals Resource Geological Survey until February 25, 2015.

**Andrew Lee Smith, B.Sc., P.Geo. – Chief Executive Officer and Director.** Mr. Smith has over 30 years of experience in successfully exploring, developing and operating domestic and international base and precious metal mining projects. Mr. Smith is currently the Chief Executive Officer and a director of the Company since 2012. Mr. Smith was Chief Executive Officer, President and a director of Tigray (TSXV) from 2010 to 2014. Mr. Smith co-founded Canaco Resources Inc. (TSXV) in 2004 and served as President, Chief Executive Officer and a director since that time until Canaco Resources Inc.'s acquisition of Shark Minerals Inc. in 2013. Mr. Smith co-founded True North Gems Inc. (TSXV) in 2001, continues to serve as a director of that company, and has been Interim CEO of True North Gems since February 2017. Mr. Smith is also a director and Interim CEO of Nickel North Exploration Corp. (TSXV) since 2014. Mr. Smith holds a B.Sc. and is a professional geologist as well as a member of the Association of Professional Engineers and Geoscientists of British Columbia.

**Dr. Antony Harwood, B.Sc., PhD. – Director.** Dr. Harwood is an economic geologist with over 35 years of experience in the mining industry. Dr. Harwood is currently President and Chief Executive Officer of Montero Mining and Exploration Ltd. (TSXV), a company focussed on battery metals and lithium in Namibia, in addition the company holds the Wigu Hill Rare Earth Project in Tanzania and phosphate assets in South Africa. Dr. Harwood is also a non-executive Director of Tesoro Minerals Corp. (TSXV). Previously he was a non-executive Director of Endeavour Mining Corporation (TSX/Australian Securities Exchange), African Gold group (TSXV), Adamas Resources (ASX), and Laplandgoldminers (Nordic Exchange) as well as Executive Chairman of Universal Coal plc (Australian Securities Exchange). Prior to joining Montero, Dr. Harwood was President and Chief Executive Officer of Africo Resources Ltd., which he took to the Toronto Stock Exchange, raising investments totalling \$124 million during his tenure. From 1998 to 2006, Dr. Harwood was Vice President Global Generative Exploration

for Placer Dome Inc. a major gold company. Prior to this, Dr. Harwood was founder of Harwood International Ltd., a geological consulting company which he operated for 10 years focused on exploration in Africa, and prior to this he held the position as a lecturer at University of Wales, Cardiff, United Kingdom and University of Natal, Durban, South Africa. Dr. Harwood graduated from the University of Wales, Cardiff in the United Kingdom with a BSc (Hons) cum laude and a PhD degree in Economic Geology.

**Dr. Zhijun He, B.Sc., M.Sc., PhD. – Director.** Dr. He is currently Deputy General Manager of Sinotech Minerals since May 2014, and is director or supervisor for six major subsidiaries of Sinotech Minerals. Dr. He was Manager of Geological Services Division of Sinotech Minerals from January 2013 to May 2014, and General Manager of Sinodrill Co., Ltd., a subsidiary of Sinotech Minerals, from 2010 to May 2014. Dr. He is a professional geologist with over 20 years of experience in geological research, mineral exploration and geological service. He holds a PhD degree in Petrology and Economic Geology from China University of Geosciences (Beijing) and is a member of AusIMM. Dr. He is winner of the 11th Silver Hammer Prize in Geological Science awarded by Geological Society of China, and has won several provincial and ministerial technology awards for mineral exploration and scientific research, including two first prizes of the Prospecting Achievement Award from China Nonferrous Metals Industry Association. Dr. He has been guiding the exploration and has pioneered the market development of geological service in China, Asia, Canada and Africa, and has led the discoveries of several large-sized multi-metallic deposits for clients of Sinotech Minerals in Africa.

**David Parsons, CPA, CGA – Director.** Mr. Parsons is retired. Until June 30, 2016 he served as Vice-President, Insurance of Goldcorp Inc. (TSX; NYSE) where he was responsible for corporate risk including mining operations loss control, business continuity planning and insurance. Prior to this appointment in 2010, he was Director, Corporate Services and Financial Analysis from October 2004 to 2010. He was employed by Wheaton River in 2001, serving as Controller until October 2004 and was directly involved in the acquisitions by Wheaton River and the subsequent merger with Goldcorp in 2005. He holds a Bachelor of Arts degree from the University of British Columbia and is a Chartered Professional Accountant / Certified General Accountant with over 30 years of experience in the gold mining industry, having served in the roles of Controller, Chief Financial Officer, and Director of public companies.

**Sean Waller, P.Eng – Director.** Mr. Waller is currently a Director of Candente Copper Corp. (TSX) since 2009. Candente Copper is developing the large scale Cañariaco Norte copper deposit located in Northern Peru. Previous roles in Mr. Waller's career included AMEC Americas Limited Mining Division ("AMEC") in Vancouver where he held the positions of Vice President of Business Development and Senior Project Manager. At AMEC, Mr. Waller was the Study Manager for the definitive Feasibility Study of Nevsun's very successful Bisha Mine in Eritrea and the Project Manager for the Front End Engineering Design of the large scale Petaquilla Copper project in Panama (now under construction). Prior to AMEC, Mr. Waller worked with SNC-Lavalin's Mining Division in senior technical roles in mineral processing and project engineering. Mr. Waller previously worked for Freeport-McMoran as Chief Metallurgist at its world class Grasberg copper gold mine in Indonesia, as well as Chief Metallurgist at the Colomac gold mine in the sub-Arctic. Mr. Waller is a Past President of the Canadian Institute of Mining, Metallurgy and Petroleum. Mr. Waller was previously on the Board of Trustees for the CIM Foundation, a charitable foundation that supports educational programs and activities, provides scholarships, and promotes the minerals industry as an enviable career choice.



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

The following information, not being within the knowledge of the Company, has been furnished by the respective Nominee.

No proposed director:

- (a) is, as at the date of this management information circular, or has been, within 10 years before the date of this management information circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this management information circular, or has been within 10 years before the date of this management information 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 management information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to 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
- (e) has been subject to any 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 Auditors**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Suite 700 - 250 Howe Street, Vancouver, British Columbia, V6C 3S7, are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of PricewaterhouseCoopers LLP as the auditors of the Company to hold office for

the ensuing year at a remuneration to be fixed by the directors. PricewaterhouseCoopers LLP were first appointed as the Company's auditors on April 4, 2013.

### **Approval of Amendment of Option Plan**

The Company has a "fixed" Option Plan, under which an aggregate of 28,710,635 Common Shares are reserved for issuance upon the exercise of options awarded under the Option Plan. The Option Plan provides that the terms of the options and the option price may be fixed by the directors subject to the price restrictions and other requirements of the TSXV. See "Statement of Executive Compensation – Stock Option Plan" for a description of the material terms of the Option Plan.

In order to provide incentive to employees, officers, directors and others providing services to the Company, the Board believes it was necessary and in the Company's best interests to increase the maximum number of Common Shares to be reserved for exercise of options under the Option Plan and to further amend the Option Plan to comply with TSXV policy requirements. On May 18, 2018, the Board resolved to amend the Option Plan, subject to disinterested shareholder approval and TSXV approval, to increase the number of Common Shares reserved for issuance from 28,710,635 to 32,552,018 (which represented approximately 20% of 162,760,091 Common Shares issued and outstanding as at May 18, 2018), which increased number also replaces the 1,451,250 Common Shares which have been previously issued pursuant to exercise of stock options.

As at May 18, 2018, there are 15,440,943 Options outstanding under the Option Plan. If the Option Plan Resolution is approved, an aggregate of 17,111,075 Options will be available for future grants. All other terms and conditions of the Option Plan will remain in force and effect, unchanged. The Option Plan will also be available for review at the Meeting.

The Option Plan must be approved and ratified by disinterested shareholders and submitted to the TSXV for approval.

Disinterested shareholders in connection with the Option Plan Resolution are shareholders of the Company other than (a) directors and senior officers of the Company; and (b) directors and senior officers of a company that is an insider of the Company or subsidiary of the Company, to whom options may be granted under the Option Plan and their associates. As such, the votes attaching to an aggregate of approximately 5,671,398 Common Shares, which are beneficially owned or over which control or direction is exercised by the directors and senior officers of the Company and its subsidiaries and their respective associates, representing approximately 3.5% of the Company's issued Common Shares entitled to vote at the Meeting, will be withheld from voting on the resolution approving the Option Plan.

The Company believes the Option Plan enables the Company to better align the interests of the Company's directors and officers with those of shareholders and reduces the cash compensation the Company would otherwise have to pay.

At the Meeting, disinterested shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, in the form set out below (the "**Option Plan Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the Option Plan.

The Board and management recommend the adoption of the Option Plan Resolution. To be effective, the Option Plan Resolution must be approved by not less than a majority of the votes cast by disinterested shareholders present in person, or represented by proxy, at the Meeting.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, FOR the Option Plan Resolution.**

The text of the Option Plan Resolution to be submitted to disinterested shareholders at the Meeting is set forth below:

“BE IT RESOLVED THAT (as an ordinary resolution and excluding the votes of interested parties and their associates):

1. the number of Common Shares reserved for issuance upon the exercise of share options granted under the Company’s amended and restated 2018 stock option plan (the “Option Plan”) dated May 28, 2013, as amended and restated on May 8, 2015, May 5, 2017, and May 18, 2018, be increased from 28,710,635 Common Shares to 32,552,018 Common Shares, which increased number also replaces the 1,451,250 Common Shares which have previously been issued pursuant to the exercise of stock options;
2. the implementation by the Board of Directors of the Company’s Option Plan, all as more particularly described in the Company’s management information circular dated May 18, 2018, with such changes to the Option Plan as may be required by the TSX Venture Exchange, is approved, ratified and confirmed;
3. effective as of May 18, 2018, the Company be authorized to issue up to 32,552,018 Common Shares upon exercise of options granted under the Option Plan; and
4. any one or more directors or officers of the Company be and is hereby authorized to execute any other documents as such one or more directors or officers deems necessary to give effect to the foregoing resolutions.”

Should the Option Plan not receive the required disinterested shareholder approval at the Meeting, the Option Plan will remain in force and affect, unamended.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company’s profile. Shareholders may contact the Company at (604) 488-0822 to request copies of the Company’s financial statements and management’s discussion and analysis.

Financial information is provided in the Company’s audited consolidated financial statements and management’s discussion and analysis of the Company for the financial year ended December 31, 2017, which are filed on SEDAR.

### **SHAREHOLDER PROPOSALS**

Any shareholder who wishes to submit a proposal for consideration at the next annual meeting of shareholders must comply with section 137 of the *Canada Business Corporations Act*. In order to have a proposal and any supporting statement included in the Company’s management information circular for the next annual meeting of shareholders, the proposal and supporting statement must be received by the Company no later than February 22, 2019.

**DIRECTORS' APPROVAL**

The contents of this management information circular and the sending thereof to the Company's shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, this 18<sup>th</sup> day of May, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

"Andrew Lee Smith"  
Chief Executive Officer

## **SCHEDULE “A”**

### **EAST AFRICA METALS INC. AUDIT COMMITTEE CHARTER**

The Board of Directors (the “**Board**”) of East Africa Metals Inc., a Canadian federal corporation (the “**Company**”), approves and adopts the following Audit Committee Charter to specify the composition, roles and responsibilities of the Audit Committee (the “**Committee**”).

#### **Purpose**

The purpose of the Committee is to assist the Board in fulfilling its responsibility for the oversight of the financial reporting process. The purpose of this Charter is to ensure that the Company maintains a strong, effective and independent audit committee, to enhance the quality of financial disclosure made by the Company and to foster increased investor confidence in both the Company and Canada’s capital markets. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company’s Management to ensure that the independent auditors serve the interests of shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will review financial reports or other financial information provided by the Company to regulatory authorities and shareholders and review the integrity, adequacy and timeliness of the financial reporting and disclosure practices of the Company. The Committee will monitor the independence and performance of the Company’s independent auditors.

#### **Composition and Procedures of the Audit Committee**

The Committee shall consist of at least three (3) directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. While the Board may recommend a Chairman for the Committee, the Committee shall have the discretion to appoint the Chairman from amongst its members. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. Meetings shall be held no less regularly than once per quarter to review the audited financial statements and interim financial statements of the Company. At least one (1) member of the Committee shall be independent and the Board and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

#### **Specific Duties and Responsibilities of the Audit Committee**

##### **External Audit**

- (1) The Committee shall recommend to the Board:
  - (a) the external auditors to be nominated for the purpose of preparing or issuing an auditors’ report performing other audit, review or attest services for the Company; and
  - (b) the compensation of the external auditors.

- (2) The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, including the resolution of disagreements between Management and the external auditors regarding financial reporting.
- (3) The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditors.
- (4) The Committee satisfies the pre-approval requirement in paragraph (3) if:
  - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditors during the fiscal year in which the services are provided;
  - (b) the Company or the subsidiary entity of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
  - (c) the 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 of its members to whom authority to grant such approvals has been delegated by the Committee.
- (5) With respect to pre-approval:
  - (a) the Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in paragraph (3).
  - (b) the pre-approval of non-audit services by any member to whom authority has been delegated pursuant to paragraph (5)(a) must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (6) The Committee satisfies the pre-approval requirement in paragraph (3) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
  - (a) the pre-approval policies and procedures are detailed as to the particular services;
  - (b) the Committee is informed of each non-audit service; and
  - (c) the procedures do not include delegation of the Committee's responsibilities to Management.
- (7) The Committee shall monitor the independence of the independent auditors and establish procedures for confirming annually the independence of the independent auditors and any relationships that may impact upon the objectivity and the independence of the external auditors.

#### Financial Reporting

- (8) The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- (9) The Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in paragraph (8), and must periodically assess the adequacy of those procedures.

- (10) The Committee shall review the clarity of the financial statement presentation with a view to ensuring that the financial statements provide meaningful and readily understandable information to shareholders and the investing public.

#### Internal Controls

- (11) The Committee must establish procedures for:
- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (12) The Committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (13) The Committee shall review with Management and independent auditors the quality and the appropriateness of the Company's financial reporting and accounting policies, standards, and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
- (14) The Committee shall review with Management and the external auditors the audit plan for the year-end financial statements prior to the commencement of the year end audit.
- (15) The Committee shall review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

#### Authority

- (16) The Committee shall have the authority:
- (a) to conduct any investigation appropriate to fulfilling its responsibilities and shall have direct access to the outside auditors, management and any employee of the Company to discuss any matters within the Committee's purview, in separate executive sessions, to discuss any matters that the Committee, or these persons, believe should be discussed privately;
  - (b) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - (c) to set and pay the compensation for any advisors employed by the Committee;
  - (d) to communicate directly with the internal and external auditors; and
  - (e) to delegate to its Chairman or any of its members the responsibility for any particular matters that the Committee deems appropriate.

#### **ADOPTION OF THE AUDIT COMMITTEE CHARTER AND AMENDMENTS**

The Committee shall review and recommend to the Board any updates to this Charter. All changes to this Charter require approval by the Board. This Charter was adopted and approved by the Board of Directors of the Company on March 28, 2013.