



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
DATED AS OF AUGUST 8, 2023  
FOR THE  
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
OF  
PREMIUM NICKEL RESOURCES LTD.**

**TO BE HELD ON SEPTEMBER 20, 2023**



**PREMIUM NICKEL RESOURCES LTD.**  
3400 One First Canadian Place, P.O. Box 130  
Toronto, ON M5X 1A4  
Phone: (604) 770-4334

### **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TAKE NOTICE** that the annual general and special meeting (the "**Meeting**") of shareholders ("**PNRL Shareholders**") of Premium Nickel Resources Ltd. ("**PNRL**" or the "**Company**") will be held at the offices of Bennett Jones LLP located at 100 King Street West, Suite 3400, Toronto, Ontario, M5X 1A4, Canada, on Wednesday, September 20, 2023, at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended December 31, 2022, together with the auditor's report thereon;
2. to elect six (6) directors of the Company for the ensuing year (the "**Director Election Resolution**"), being Jason LeBlanc, Mark Christensen, John Hick, Keith Morrison, Don Newberry and William O'Reilly, to take office immediately after the Meeting, all as more particularly described in the accompanying management information circular dated August 8, 2023 (the "**Information Circular**");
3. to appoint the independent auditor of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditor (the "**Auditor Appointment Resolution**");
4. to consider and, if thought fit, pass, with or without variation, an ordinary resolution (the "**Option Plan Resolution**") approving the Company's fixed share option plan with amendments thereto (the "**Amended Option Plan**"), all as more particularly described in the accompanying Information Circular;
5. to consider and, if thought fit, pass, with or without variation, an ordinary resolution (the "**DSU Plan Resolution**") approving the Company's deferred share unit plan (the "**DSU Plan**"), all as more particularly described in the accompanying Information Circular;
6. to consider and, if thought fit, pass, with or without variation, an ordinary resolution approving the previous grants of deferred share units (the "**Prior Grants Resolution**"), collectively with the Director Election Resolution, the Auditor Appointment Resolution, the Option Plan Resolution and the DSU Plan Resolution, the "**Resolutions**"), all as more particularly described in the accompanying Information Circular; and
7. to transact such further or other business as may properly come before the Meeting and any adjournments thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting. The full text of the Resolutions is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting*" to the Information Circular.

**The Board unanimously recommends that PNRL Shareholders vote "FOR" the Resolutions.**

The record date for the determination of PNRL Shareholders entitled to receive notice of and to vote at the Meeting is the close of business on August 3, 2023 (the "**Record Date**"). Only PNRL Shareholders whose names have been entered in the register of PNRL Shareholders as of the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

Each PNRL Share entitled to be voted at the Meeting will entitle the holder thereof to one vote at the Meeting.

**A PNRL Shareholder may attend the Meeting in person or may be represented by proxy. PNRL Shareholders who are unable to be present at the Meeting are requested to complete, date, sign and return, in the envelope provided for that purpose, the accompanying form of proxy (the "Proxy") for use at the Meeting or any adjournment thereof. To be effective, the Proxy must be received by our transfer agent, Computershare Investor Services Inc. (Attention: Proxy Department, by mail: 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J 2Y1), no later than 10:00 a.m. (Toronto time) on Monday, September 18, 2023, or no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time to which the Meeting may be adjourned. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept Proxies received after such deadline. PNRL Shareholders may use the Internet ([www.investorvote.com](http://www.investorvote.com)) or telephone (1-866-732-VOTE (8683)) to transmit voting instructions on or before the date and time noted above, and may also use the Internet to appoint a proxyholder to attend and vote on behalf of the PNRL Shareholder at the Meeting. For information regarding voting or appointing a proxy, see the Proxy and/or the section entitled "Proxy Related Information" in the accompanying Information Circular.**

If a PNRL Shareholder has received more than one Proxy because such holder owns PNRL Shares registered in different names or addresses, each Proxy should be completed and returned.

If you are a non-registered holder of PNRL Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the Proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

The Proxy confers discretionary authority with respect to: (i) amendments or variations to the matters to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of PNRL knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Meeting. PNRL Shareholders who are planning on returning the accompanying Proxy are encouraged to review the Information Circular carefully before submitting the Proxy.

A copy of the Information Circular, the Proxy or voting instruction form (as applicable) and a financial statement request form accompany this Notice of Meeting.

Dated at the City of Toronto, in the Province of Ontario, this 8<sup>th</sup> day of August, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) "Keith Morrison"*

Keith Morrison  
Chief Executive Officer and Chairman of the Board  
Premium Nickel Resources Ltd.

**Whether or not you expect to attend the Meeting in person, please complete, date, sign and return the accompanying Proxy at your earliest convenience. The Information Circular provides further information respecting Proxies and the matters to be considered at the Meeting and is deemed to form part of this Notice of Meeting.**

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## GENERAL INFORMATION

All capitalized terms used in this Information Circular (including the Appendices, unless otherwise stated) but not otherwise defined herein have the meanings set forth in Appendix "A" - "Glossary" to this Information Circular. Information contained in this Information Circular is given as of August 8, 2023, unless otherwise specifically stated.

## PROXY RELATED INFORMATION

### Solicitation of Proxies

This Information Circular is provided in connection with the solicitation of proxies by the management of PNRL for use at the annual general and special meeting of the PNRL Shareholders to be held on September 20, 2023, at the time and place and for the purposes set out in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be made primarily by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy.

### Appointment and Revocation of Proxy

#### *Registered PNRL Shareholders*

**Registered PNRL Shareholders may vote their PNRL Shares by attending the Meeting in person or by completing the enclosed Proxy.** Registered PNRL Shareholders should deliver their completed Proxies to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J 2Y1 (by mail, telephone or internet according to the instructions on the Proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting. Otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the Proxy are directors and officers of the Company and are proxyholders nominated by management. **A PNRL Shareholder has the right to appoint a person or company other than the nominees of management named in the enclosed instrument of Proxy to represent such PNRL Shareholder at the Meeting. To exercise this right, a PNRL Shareholder must insert the name of its nominee in the blank space provided. A person appointed as a proxyholder need not be a PNRL Shareholder.**

A registered PNRL Shareholder may revoke a Proxy by:

- (a) signing a Proxy with a later date and delivering it at the place and within the time noted above;
- (b) signing and dating a written notice of revocation (in the same manner as the Proxy is required to be executed, as set out in the notes to the Proxy) and delivering it to the registered office of the Company, located at 3400 One First Canadian Place, P.O. Box 130, 100 King Street West, Toronto, Ontario, Canada M5X 1A4, at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment thereof at which the Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof;
- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such Proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by law.

#### *Beneficial PNRL Shareholders*

**The information set forth in this section is of significant importance to many PNRL Shareholders, as many PNRL Shareholders do not hold their PNRL Shares in their own name.** PNRL Shareholders holding their PNRL

Shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans or other persons or otherwise not in their own name ("**Beneficial PNRL Shareholders**") should note that only Proxies deposited by PNRL Shareholders appearing on the records maintained by PNRL's transfer agent as Registered PNRL Shareholders will be recognized and allowed to vote at the Meeting. If a PNRL Shareholder's common shares are listed in an account statement provided to the PNRL Shareholder by a broker, in all likelihood those shares are not registered in the PNRL Shareholder's name and that shareholder is a Beneficial PNRL Shareholder. Such PNRL Shares are most likely registered in the name of the PNRL Shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. PNRL Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial PNRL Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial PNRL Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial PNRL Shareholders in advance of shareholder meetings. Beneficial PNRL Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to PNRL (such Beneficial PNRL Shareholders are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their Intermediary disclosing ownership information about themselves to PNRL (such Beneficial PNRL Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In the case of NOBOs, Proxy-related materials and VIF may have either (a) been sent by the Company (or its agent) directly to NOBOs, or (b) been sent by the Company (or its agent) to intermediaries holding on behalf of NOBO's for distribution to such shareholder, as is the case for this Meeting. If you are a NOBO and the Company (or its agent) has sent the Proxy materials directly to you, your personal information has been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

As it relates to OBOs, PNRL does not intend to pay for Intermediaries to forward Proxy-related materials and VIFs to OBOs under NI 54-101.

Meeting Materials sent to Beneficial PNRL Shareholders are accompanied by a VIF, instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial PNRL Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial PNRL Shareholder's PNRL Shares on the Beneficial PNRL Shareholder's behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial PNRL Shareholders to Broadridge Investor Communications Corporation ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial PNRL Shareholders and asks Beneficial PNRL Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial PNRL Shareholder who receives a VIF from Broadridge cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In any case, the purpose of this procedure is to permit Beneficial PNRL Shareholders to direct the voting of the shares, which they beneficially own. **A Beneficial PNRL Shareholder receiving a VIF cannot use that form to vote PNRL Shares directly at the Meeting – Beneficial PNRL Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial PNRL Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial

PNRL Shareholder may request a legal Proxy as set forth in the VIF, which will grant the Beneficial PNRL Shareholder or their nominee the right to attend and vote at the Meeting.

Only Registered PNRL Shareholders have the right to revoke a Proxy. A Beneficial PNRL Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to PNRL Shareholders in this Information Circular and the accompanying instrument of Proxy and Notice of Meeting are to Registered PNRL Shareholders, unless specifically stated otherwise.

### **Notice-and-Access Rules**

The Company has elected to use the notice-and-access provisions under NI 51-102 and NI 54-101 (together with NI 51-102, the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allows issuers to post electronic versions of proxy-related materials on-line, via the SEDAR+ and one other website, rather than mailing paper copies of such materials to PNRL Shareholders.

Instead of receiving the Meeting Materials, PNRL Shareholders will receive a Notice of Meeting with the Proxy or VIF, as the case may be, along with instructions on how to access the Meeting materials online.

The Company will send the Notice of Meeting and Proxy directly to Registered PNRL Shareholders. The Company will pay for intermediaries to deliver the Notice of Meeting, VIF and other Meeting Materials requested by NOBOs. The Meeting Materials are available on the Company's website ([www.premiumnickelresources.ca/investors/events/](http://www.premiumnickelresources.ca/investors/events/)) and on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under the Company's issuer profile.

The Company will not be using stratification as it relates to Notice-and-Access. If you would like to receive a paper copy of the current Meeting Materials by mail, you must request one by September 11, 2023 to ensure timely receipt, by contacting Jaelyn Ruptash by telephone at 1-833-770-4334 or by email at [info@premiumnickel.com](mailto:info@premiumnickel.com). There is no charge to you for requesting a copy.

To obtain paper copies of the materials after the Meeting date, please contact the Company as follows: by mail, Premium Nickel Resources Ltd., [info@premiumnickel.com](mailto:info@premiumnickel.com), or by telephone at 1-833-770-4334.

### **Voting of Shares and Exercise of Discretion of Proxies**

If a PNRL Shareholder specifies a choice with respect to any matter to be acted upon, the PNRL Shares represented by Proxy will be voted or withheld from voting by the proxyholder in accordance with those instructions on any ballot that may be called for. In the enclosed Proxy, in the absence of any instructions in the Proxy, it is intended that such PNRL Shares will be voted by the proxyholder, if a Nominee of management, in favour of the motions proposed to be made at the Meeting as stated under the headings in the Notice of Meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a Nominee of management, will exercise its discretion and vote on such matters in accordance with the proxyholder's best judgment.

The instrument of Proxy enclosed, in the absence of any instructions in the Proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of Proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority, a PNRL Shareholder must strike out the names of the nominees of management in the enclosed instrument of Proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with the proxyholder's best judgment.

At the time of printing this Information Circular, management of PNRL is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting, other than as set forth in the accompanying Notice of Meeting.

### **Interest of Certain Persons in Matters to be Acted Upon**

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of PNRL at any time since the beginning of the Company's last financial year;
- (b) each proposed Nominee for election as a director of the Company; and
- (c) each Associate or Affiliate of any of the foregoing.

### **Voting Securities and Principal Holders**

As of the date of this Information Circular, the Company's authorized capital consisted of an unlimited number of PNRL Shares and 100,000,000 preferred shares, which preferred shares do not carry the right to vote at the Meeting, and of which 20,000,000 are series 1 convertible preferred shares. PNRL Shareholders of record at the close of business on August 3, 2023 (being the Record Date) who either personally attend the Meeting or who have completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote, or to have their PNRL Shares voted, at the Meeting or at any adjournment thereof.

As at the Record Date, 135,730,527 PNRL Shares were issued and outstanding, each share carrying the right to one vote.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, no person or company owns or controls, directly or indirectly, 10% or more of the issued and outstanding PNRL Shares, except as stated below.

<b>Name of Shareholder</b>	<b>Number of PNRL Shares<sup>(1)</sup></b>	<b>Percentage of Issued and Outstanding PNRL Shares</b>
EdgePoint Investment Group Inc.	14,772,000	10.9%

**Notes:**

- (1) The information as to PNRL Shares beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Company has been obtained by the Company from Computershare and/or furnished by the PNRL Shareholder listed above.

### **Corporate Governance**

See Appendix "C" – *"Corporate Governance Disclosure"* to this Information Circular.

### **Audit Committee and Relationship with Auditors**

See Appendix "D" – *"Audit Committee Disclosure"* to this Information Circular.

### **Change In Auditor**

See Appendix "E" – *"Change in Auditor – Reporting Package"* to this Information Circular.

## **Amended Option Plan**

See Appendix "F" – "*Amended Option Plan*" to this Information Circular.

## **DSU Plan**

See Appendix "G" – "*DSU Plan*" to this Information Circular.

## **Other Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the accompanying Notice of Meeting. However, if any other matters are properly brought before the Meeting, the nominees of management named in the Proxy intend to vote on any such matter, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the Notice of Meeting.

## **Additional Information**

Additional information about the Company is available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under PNRL's issuer profile, including PNRL's financial statements and management's discussion and analysis. The audited financial statements of the Company for the year ending December 31, 2022, together with the auditor's report thereon, will be presented at the Meeting. Copies of the financial statements and management discussion and analysis of the Company can be requested from the Company at 3400 One First Canadian Place, P.O. Box 130, 100 King Street West, Toronto, Ontario, Canada, M5X 1A4.

## **EXECUTIVE COMPENSATION**

### **Statement of Executive Compensation**

The purpose of this section is to describe the compensation of the Named Executive Officers and the directors of the Company in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* of the Canadian Securities Administrators.

For the financial year ended December 31, 2022, the Named Executive Officers of the Company were:

- Keith Morrison, Chief Executive Officer, director and (since August 4, 2023) Chairman of the Board;
- Sarah Zhu, Chief Financial Officer (until July 26, 2023);
- Boris Kamstra, Chief Operating Officer of Premium Nickel Resources International Ltd. (Barbados) ("**PNRIL**");
- Montwedi Mphathi, Chief Executive Officer of Premium Nickel Resources Proprietary Limited (Botswana) ("**PNRPL**") (until July 21, 2023); and
- Charles Riopel, Executive Chairman (until August 2, 2023).

### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each Named Executive Officer and director, in any capacity, other than Options, DSUs and other compensation securities, for the two most recently completed financial years.

**Table of Compensation Excluding Compensation Securities**

<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees (\$)</b>	<b>Value of Perquisites (\$)</b>	<b>Value of All Other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
<b>Keith Morrison<sup>(1)</sup></b> Chief Executive Officer and Chairman of the Board	2022	331,941	Nil	Nil	Nil	Nil	331,941
	2021	202,893	Nil	Nil	Nil	Nil	202,893
<b>Sarah Zhu<sup>(2)</sup></b> Former Chief Financial Officer	2022	243,048	Nil	Nil	Nil	Nil	243,048
	2021	205,680	Nil	Nil	Nil	Nil	205,680
<b>Boris Kamstra<sup>(3)</sup></b> Chief Operating Officer of PNRIL	2022	696,142	Nil	Nil	Nil	Nil	696,142
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Montwedi Mphathi<sup>(4)</sup></b> Former CEO of PNRIL's subsidiaries in Botswana	2022	465,992	Nil	Nil	Nil	Nil	465,992
	2021	242,129	Nil	Nil	Nil	Nil	242,129
<b>Charles Riopel<sup>(5)</sup></b> Former Executive Chairman	2022	252,500	Nil	Nil	Nil	Nil	252,500
	2021	30,000	Nil	Nil	Nil	Nil	30,000
<b>John Hick<sup>(6)</sup></b> Lead Director	2022	15,000	Nil	Nil	Nil	Nil	15,000
	2021	55,000	Nil	Nil	Nil	Nil	55,000
<b>Sean Whiteford<sup>(7)</sup></b> President of PNRIL and Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>William O'Reilly</b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Don Newberry</b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sheldon Inwentash</b> Former Director	2022	11,667	Nil	Nil	Nil	Nil	11,667
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Chisholm</b> Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Douglas E. Ford<sup>(8)</sup></b> Lead Director of NAN prior to the RTO Transaction	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	60,000	Nil	Nil	Nil	Nil	60,000
<b>Christopher Messina</b> Director of NAN prior to the RTO Transaction	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	60,000	Nil	Nil	Nil	Nil	60,000
<b>Zhen Janet Huang</b> Director of NAN prior to the RTO Transaction	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Paid to Lacnikdon Limited and Breniklan Limited, private companies controlled by Mr. Morrison, which provide the services of Mr. Morrison as the Company's Chief Executive Officer. Mr. Morrison did not receive any compensation for his services as a director of the Company. See "*Employment, Consulting and Management Agreements*".
- (2) Paid to Consultations WJZHU Inc., a private company controlled by Ms. Zhu, which provided the services of Ms. Zhu as the Chief Financial Officer of the Company. See "*Employment, Consulting and Management Agreements*". Of the amount in 2021 referenced above, \$108,192 was in respect of services charged back to PNRRC.
- (3) Mr. Kamstra was engaged by PNRIL for his services as the Chief Operating Officer of PNRIL effective on January 1, 2022.
- (4) Mr. Mphathi was engaged by PNRPL for his services as the Chief Executive Officer of PNRPL effective on February 11, 2020. Mr. Mphathi departed PNRPL on July 21, 2023.
- (5) Paid to Holding Latitude 45 Inc., a private company controlled by Mr. Riopel, which provided the services of Mr. Riopel as Executive Chairman. Mr. Riopel did not receive any compensation for his services as a director of the Company or its subsidiaries in 2022. Mr. Riopel resigned as a director of the Company effective August 2, 2023 and continues as a Consultant and a member of the Company's Advisory Board.
- (6) Mr. Hick was appointed to the board of directors of NAN on February 26, 2021 and appointed to Lead Director of the Company post the RTO Transaction.
- (7) Mr. Whiteford was a director of the Company from August 3, 2022 to March 2, 2023.
- (8) NAN engaged Dockside Capital Group Inc. ("**Dockside**") for management services prior to the RTO Transaction. Dockside is a management services company controlled, in part, by Edward Ford and Douglas E. Ford. The monthly management fee payable under the agreement was \$2,500, plus applicable taxes.

**External Management Companies**

See "*Employment, Consulting and Management Agreements*" below for disclosure relating to any external management company employing or retaining individuals acting as Named Executive Officers of the Company, or that provide the Company's executive management services.

**Options and Other Compensation Securities**

The following table sets forth certain information in respect of all compensation securities granted or issued to each Named Executive Officer and director by the Company or one of its subsidiaries in the financial year ended December 31, 2022, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities <sup>(11)</sup>							
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
<b>Keith Morrison</b> <sup>(1)</sup> Chief Executive Officer and Chairman of the Board	Options	263,500	August 3, 2022	2.40	US\$2.00 <sup>(2)</sup>	1.60	January 20, 2027
<b>Sarah Zhu</b> <sup>(3)</sup> Former Chief Financial Officer	Options	131,750	August 3, 2022	2.40	US\$2.00	1.60	January 20, 2027
<b>Boris Kamstra</b> Chief Operating Officer of PNRIL	Options	790,500	August 3, 2022	2.40	US\$2.00	1.60	January 20, 2027
<b>Montwedi Mphathi</b> <sup>(4)</sup> Former CEO of PNRPL	Options	263,500	August 3, 2022	2.40	US\$2.00	1.60	January 20, 2027

Compensation Securities <sup>(11)</sup>							
Name and Position	Type of Compensation on Security	Number of Compensation on 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
<b>Charles Riopel</b> <sup>(5)</sup> Former Executive Chairman	Options	263,500	August 3, 2022	2.40	US\$2.00	1.60	January 20, 2027
<b>John Hick</b> <sup>(6)</sup> Lead Director	DSUs	60,000	December 31, 2022	1.49 <sup>(7)</sup>	1.60	1.60	NA
<b>William O'Reilly</b> Director	DSUs	50,000	December 31, 2022	1.49	1.60	1.60	NA
<b>Don Newberry</b> Director	DSUs	40,000	December 31, 2022	1.49	1.60	1.60	NA
<b>Sean Whiteford</b> <sup>(8)</sup> President of PNRL and Former Director	DSUs	50,000	December 31, 2022	1.49	1.60	1.60	NA
<b>Sheldon Inwentash</b> Former Director <sup>(9)</sup>	Options	263,500	August 3, 2022	2.40	US\$2.00	1.60	January 20, 2027
<b>John Chisholm</b> Former Director <sup>(10)</sup>	Options	263,500	August 3, 2022	2.40	US\$2.00	1.60	January 20, 2027

**Notes:**

- (1) As at December 31, 2022, Mr. Morrison held 2,638,194 Options exercisable for 2,638,194 PNRL Shares.
- (2) The options granted during 2022 for PNRC prior to the Closing were based on the offering price for the common shares of PNRC on the last PNRC equity financing prior to the Closing and subsequently were exchanged for Options at an exchange rate of 1.054 and vested in full immediately upon the Closing.
- (3) As at December 31, 2022, Ms. Zhu held 627,950 Options exercisable for 627,950 PNRL Shares.
- (4) As at December 31, 2022, Mr. Mphathi held 632,400 Options exercisable for 632,400 PNRL Shares.
- (5) As at December 31, 2022, Mr. Riopel held 1,326,700 Options exercisable for 1,326,700 PNRL Shares. Mr. Riopel resigned as a director of the Company effective August 2, 2023 and continues as a Consultant and a member of the Company's Advisory Board.
- (6) As at December 31, 2022, Mr. Hick held 60,000 Options exercisable for 60,000 PNRL Shares, and 60,000 DSUs.
- (7) Value of the DSUs is based on 5-day VWAP of PNRL Shares on December 31, 2022.
- (8) Mr. Whiteford was a director of the Company from August 3, 2022 to March 2, 2023 and continues as President of PNRL.
- (9) Mr. Inwentash was a director of the Company from August 3, 2022 to December 6, 2022 and continues as a Consultant and a member of the Company's Advisory Board.
- (10) Mr. Chisholm was a director of the Company from August 3, 2022 to September 2, 2022 and continues as a Consultant and a member of the Company's Advisory Board.
- (11) Subsequent to the financial year ended December 31, 2022, additional Options were granted on August 8, 2023 to the individuals named in the table above as follows: (a) 550,000 Options to Keith Morrison; (b) 100,000 Options to each of John Hick, William O'Reilly and Don Newberry; (c) 329,167 Options to Sean Whiteford; and (d) 100,000 Options to John Chisholm (in his capacity as a consultant to the Company). Each Option granted has an exercise price of \$1.75 per share, expiry date of August 8, 2023 and vesting annually in equal thirds beginning the first anniversary of the date of grant.

## Exercise of Compensation Securities

The following table sets forth each exercise of compensation securities by a Named Executive Officer or director of the Company during the financial year ended December 31, 2022.

Exercise of Compensation Securities by Directors and Named Executive Officers							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date <sup>(1)</sup> (\$)
Doug Ford Director of NAN prior to the RTO Transaction	Options	120,500	0.80	October 26, 2022	1.60	0.80	96,000
	Options	65,000	1.60	November 1, 2022	1.67	0.07	4,550
Zhen Janet Huang Director of NAN prior to the RTO Transaction	Options	120,000	0.80	October 28, 2022	1.82	1.02	122,400
Sheldon Inwentash Former Director	Options	527,000	0.39	December 12, 2022	1.23	0.84	442,680

### Notes:

(1) "Total Value on Exercise Date" is the product of the number of underlying securities exercised multiplied by the difference between the exercise price and the closing price on the date of exercise.

## Option Plans and Other Incentive Plans

### Amended Option Plan

The Option Plan was most recently approved at the annual and special meeting of shareholders held on June 23, 2022. At the Meeting, PNRL Shareholders will be asked to consider and, if thought fit, pass, with or without variation, the Option Plan Resolution approving the Amended Option Plan, a copy of which is attached on Appendix "F" – "Amended Option Plan" to this Information Circular.

The principal changes to the Amended Option Plan from the Option Plan are as follows:

- an increase in the fixed number of options ("**Options**") that PNRL may issue under the plan from 22,600,000 to 27,100,000;
- providing that in the event of the resignation of an optionee, or the termination or removal of an optionee without just cause, any vested Option granted to such optionee will be exercisable for a period ending on the earlier of: (i) the expiry date of such Option determined as at the date of grant thereof and (ii) the expiration of 90 days (or such longer period, not to exceed 12 months, as may be specified by resolution of the Board) following the effective date of such resignation or termination;
- providing for more flexible payment options when an Option is exercised; and
- removing matters relating solely to the RTO Transaction.

There are also certain housekeeping changes to the Option Plan.

The Amended Option Plan is a "**fixed**" share option plan, pursuant to which PNRL may issue up to 27,100,000 Options to eligible persons (as defined below). As of the date hereof, 14,065,321 Options are outstanding under the Option Plan.

Incentive Options under the Amended Option Plan may be granted by the Board to eligible persons, who are directors, officers, employees or Consultants of PNRL or its subsidiaries, eligible persons who are employees of a company providing management services to PNRL, or, in certain circumstances, charitable organizations. Options granted under the Amended Option Plan have a maximum exercise period of up to 10 years, as determined by the Board.

The Amended Option Plan limits the number of Options which may be granted to any one individual to not more than 5% of the total PNRL Shares in any 12 month period (unless otherwise approved by the "**disinterested shareholders**" of PNRL). A "**disinterested shareholder**" is a shareholder who is not a director, officer, promoter, or other insider of PNRL, or its associates or affiliates, as such terms are defined under the *Securities Act* (Ontario). In addition, unless otherwise approved by the disinterested PNRL Shareholders, the number of PNRL Shares issuable under the Amended Option Plan to all insiders of PNRL as a group shall not exceed 10% of the total PNRL Shares at any point in time.

The number of Options granted to any one Consultant or investor relations service provider in any 12-month period must not exceed 2% of the total issued PNRL Shares. Options granted to investor relations service providers shall vest in stages over at least a one-year period, in accordance with the policies of the Exchange. Subject to the foregoing, any Options granted under the Amended Option Plan will not be subject to any vesting schedule, unless otherwise determined by the Board or required by the policies of the Exchange.

The number of Options granted to all eligible charitable organizations in the aggregate must not exceed 1% of the PNRL Shares on the date of grant, which Options shall expire on or before the earlier of: (i) the date that is ten years from the grant date; or (ii) the 90<sup>th</sup> day following the date that the holder of such Options ceases to be an eligible charitable organization under the Amended Option Plan.

Options under the Amended Option Plan may be granted at an exercise price which is at or above the current discounted market price (as defined under the policies of the Exchange) on the date of the grant. In the event of the death or permanent disability of an optionee, any Option granted to such optionee will be exercisable upon the earlier of 365 days from the date of death or permanent disability, or the expiry date of the Option. In the event of the resignation of an optionee, or the termination or removal of an optionee without just cause, any vested Option granted to such optionee will be exercisable for a period ending on the earlier of: (i) the expiry date of such Option determined as at the date of grant thereof; and (ii) the expiration of 90 days (or such longer period, not to exceed 12 months, as may be specified by resolution of the Board) following the effective date of such resignation or termination. In the event of termination for cause, any unexercised Option granted to such optionee will be cancelled as at the date of termination.

Options may be exercised by the holder thereof: (i) by delivering to PNRL a notice specifying the number of PNRL Shares in respect of which the Option is exercised together with payment in full of the exercise price for each such PNRL Share; (ii) through a cashless exercise mechanism whereby the Company has certain arrangements with a brokerage firm; or (iii) through a net exercise mechanism whereby the optionee receives only the number of PNRL Shares that is equal to the quotient obtained by dividing (A) the product of the number of Options being exercised and the difference between the 5-day VWAP on the Exchange immediately preceding the exercise and the exercise price of the subject Option by (B) the 5-day VWAP of the underlying PNRL Shares.

At the Meeting, PNRL Shareholders are being asked to consider and, if thought fit, pass, with or without variation, the Option Plan Resolution approving the Amended Option Plan, as more particularly described in this Information Circular.

## *DSU Plan*

The DSU Plan was adopted by the Board on December 26, 2022. The DSU Plan enables the Company upon approval by the Board to grant deferred share units ("**DSUs**") to eligible non-management directors. At the Meeting, PNRL Shareholders are being asked to consider and, if thought fit, pass, with or without variation, the DSU Plan Resolution approving the DSU Plan, as more particularly described in this Information Circular. See "*Particulars of Matters to be Acted Upon at the Meeting*".

The following is a summary of the principal terms of the DSU Plan, which is qualified in its entirety by reference to the text of the DSU Plan, a copy of which is attached on Appendix "G" – "*DSU Plan*" to this Information Circular.

### *Purpose*

The purpose of the DSU Plan is to advance the interests of the Company and its subsidiaries by: (i) increasing the proprietary interests of non-executive directors in the Company; (ii) aligning the interests of non-executive directors of the Company with the interests of the PNRL Shareholders generally; and (iii) furnishing non-executive directors with an additional incentive in their efforts on behalf of the Company.

### *Eligibility*

Each director of the Company in office on December 26, 2022, being the effective date of the DSU Plan (the "**Effective Date**") became a member of the DSU Plan ("**DSUP Member**"). Each person who becomes a director at any time subsequent to the Effective Date shall thereupon, without further or other formality, become a member of the DSU Plan. For greater certainty, no Investor Relations Service Providers (as defined in the policy of the Exchange) may receive any DSUs under the DSU Plan.

### *Share Limits and Market Value*

The aggregate number of PNRL Shares made available for issuance from treasury under the DSU Plan shall not exceed 5,000,000 PNRL Shares, provided that the number of PNRL Shares reserved for issuance from treasury under the DSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 20% of the number of PNRL Shares then issued and outstanding. As of the date hereof, 322,901 DSUs have been granted under the DSU Plan, which are subject to approval by PNRL Shareholders pursuant to the Prior Grants Resolution.

Each DSU will have a notional value equal, on any particular date, to the volume weighted average trading price of the PNRL Shares for the five (5) consecutive trading days prior to such date ("**Market Value**").

### *Granting Restrictions*

The grant of DSUs under the DSU Plan is subject to a number of restrictions:

- (a) the aggregate number of PNRL Shares issuable at any time to Insiders (as defined in the DSU Plan) under the DSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding PNRL Shares, calculated on a non-diluted basis (unless disinterested shareholder approval is obtained pursuant to the Corporate Finance Manual of the Exchange);
- (b) within any one-year period, the Company shall not issue to Insiders under the DSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of PNRL Shares exceeding 10% of the issued and outstanding PNRL Shares, calculated on a non-diluted basis (unless disinterested shareholder approval is obtained pursuant to the Corporate Finance Manual of the Exchange); and

- (c) within any one-year period, the Company shall not issue to any one person, or companies wholly-owned by that person, under the DSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of PNRL Shares exceeding 5% of the issued and outstanding PNRL Shares, calculated on a non-diluted basis.

#### *Administration of Grants*

The Board may, at any time, grant DSUs to directors of the Company in consideration of service for any period specified in the resolution authorizing such grant (except *in lieu* of accrued and unpaid compensation amounts).

In addition, DSUP Members may elect to receive DSUs instead of cash remuneration in respect of his or her annual retainer, committee retainer and meeting fees (or any portion thereof). The number of DSUs to be notionally credited to DSUP Members *in lieu* of cash remuneration shall be determined on a quarterly basis, as of the final day of any quarterly period (the "**Crediting Date**"), calculated as the quotient obtained when (i) the aggregate value of the cash remuneration that would have been paid to such DSUP Member, is divided by (ii) the Market Value as of the last day of such quarterly period.

Unless otherwise specified by the Board and/or included in any award agreement, DSUs credited to a DSUP Member shall be fully vested on the applicable Crediting Date.

#### *Redemption*

The DSUs credited to the account of a director may only be redeemed following the date upon which the holder ceases to be a director. Depending upon the country of residence of a director, the DSUs may be redeemed at any time prior to December 15 in the calendar year following the year in which the holder ceases to be a director and may be redeemed in as many as four installments. Upon redemption, the holder is entitled to a cash payment equal to the number of DSUs redeemed multiplied by the Market Value on that date.

The Company will deduct or withhold from any payment or settlement in PNRL Shares, for the benefit of a DSUP Member, any amount required in order to comply with the applicable provisions of any federal or provincial law relating to the withholding of tax or the making of any other source deductions.

#### *No Shareholder Rights*

DSUs are different from PNRL Shares and will not entitle a DSUP Member to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

#### *Suspension, Termination or Amendments*

The Board may amend, suspend or terminate (and re-instate) the DSU Plan in whole or in part, or amend the terms of DSUs credited in accordance with the DSU Plan, without approval of the PNRL Shareholders. However, such suspension, termination or amendment is subject to the receipt of all required regulatory approvals including, without limitation, the approval of the Exchange.

If any such amendment, suspension or termination will materially or adversely affect the rights of a DSUP Member with respect to DSUs credited to such director, then the written consent of the DSUP Member will be obtained. However, a DSUP Member's written consent will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.

In addition, the Company may not make the following amendments to the DSU Plan without the approval of the PNRL Shareholders: (i) an amendment to remove or exceed the insider participation limit prescribed by the Corporate Finance Manual of the Exchange; (ii) an amendment to increase the maximum number of PNRL Shares made available for issuance from treasury under the DSU Plan; (iii) an amendment to modify the definition of "**Eligible Director**" in the DSU Plan; or (iv) an amendment to the amending provision within the DSU Plan.

If the Board (or such other committee of the directors appointed to administer the DSU Plan) terminates the DSU Plan, DSUs previously credited to DSUP Members will remain outstanding and in effect and be settled in due course in accordance with the terms of the DSU Plan.

#### *Non-Transferability of Awards*

Except as otherwise may be expressly provided for under the DSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a DSUP Member under the DSU Plan is assignable or transferable.

#### *Clawback*

All DSUs granted under the DSU Plan shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board.

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

The following is a description of the material terms of each agreement or arrangement under which compensation was provided during the financial year ended December 31, 2022 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or Named Executive Officer.

#### *Keith Morrison*

Keith Morrison and NAN entered into an employment agreement dated December 15, 2014, setting out the terms and conditions of Mr. Morrison's employment as Chief Executive Officer of the Company.

Effective on June 1, 2018, NAN and Mr. Morrison agreed to amend the terms of Mr. Morrison's employment from direct employment to contracted consultant. In connection with the foregoing, the Company and Lacnikdon Limited, a private company controlled by Mr. Morrison, entered into a service agreement, pursuant to which Lacnikdon Limited provided the services of Mr. Morrison as the Company's Chief Executive Officer. Upon the closing of the RTO Transaction, PNRL entered into a services agreement with Breniklan Limited, a private company controlled by Mr. Morrison for his continuing service post the RTO Transaction. Under the services agreement, Breniklan Limited is entitled to a monthly service fee of \$35,506 plus applicable tax, effective August 3, 2022.

If the services agreement is terminated without cause by the Company during a "**Change of Control Window**" (six months following the Change of Control event), the Company shall pay to Mr. Morrison in lump sum or in monthly installments a cash amount equal to twenty-four months service fees at the date of termination.

#### *Sarah Zhu*

Sarah Zhu and NAN entered into an employment agreement dated April 28, 2018, setting out the terms and conditions of Ms. Zhu's employment as Chief Financial Officer of the Company.

Effective on October 1, 2020, NAN and Ms. Zhu agreed to amend the terms of Ms. Zhu's employment from direct employment to contracted consultant. In connection with the foregoing, NAN and WJZHU Inc., a private company controlled by Ms. Zhu, entered into a service agreement, pursuant to which WJZHU Inc. provided the services of Ms. Zhu as the Company's Chief Financial Officer. Under the service agreement, WJZHU Inc. is entitled to a monthly service fee of \$18,000 per month plus applicable tax.

If the service agreement is terminated without cause by the Company, the Company shall pay to Ms. Zhu, in lump sum or in monthly installments, a cash amount equal to six months plus one month, calculated on a pro rata basis, for each year of continuous service, to a cumulative maximum period of twelve months.

Ms. Zhu stepped down from her position as Chief Financial Officer of the Company effective July 26, 2023 and continues with the Company in a senior accounting role during a transitional period.

*Boris Kamstra*

PNRIL entered into a consulting agreement with Mr. Kamstra dated January 1, 2022. Under the agreement, Mr. Kamstra is responsible for providing leadership for and input to the design, build, redevelopment and commissioning of the Company's projects in Botswana, delivering Stage 3 (Hot Commissioning) wherein the projects are producing commercial levels of saleable concentrates, and assuming responsibility and authority for the effective leadership and management of the re-engineering, engineering, construction and commissioning of the Botswana projects so as to confidently and reasonably project financial results in line with objectives as provided by the Company. Mr. Kamstra is the Chief Operating Officer of PNRIL.

PNRIL agreed to pay Mr. Kamstra a consulting fee of US\$20,000 for the month of January 2022, US\$40,000 for the month of February 2022 and US\$50,000 per calendar month thereafter.

The agreement may be terminated by either PNRIL or Mr. Kamstra on 90 days' written notice.

*Montwedi Mphathi*

PNRPL entered into a consulting agreement dated February 11, 2020 with First Land (Pty) Ltd. to provide the services of Montwedi Mphathi. The initial services to be provided included the organization and representation of PNRPL at a series of meetings with local stakeholders, potential employees and government officials. The services were subsequently broadened to include the role of Chief Executive Officer of PNRPL.

Total consulting fees paid under the agreement were \$242,129 in 2021 and \$465,992 in 2022.

Mr. Mphathi departed PNRPL on July 21, 2023.

*Charles Riopel*

Holding Latitude 45 Inc., a private company controlled by Mr. Riopel, provided the services of Mr. Riopel as Executive Chairman. Total consulting fees paid to Holding Latitude 45 Inc. were \$30,000 in 2021 and \$252,500 in 2022. Mr. Riopel has resigned from the Board effective August 2, 2023, but continues as a Consultant and a member of the Company's Advisory Board.

**Estimated Incremental Payments**

The following shows the estimated incremental payments that would be payable to each of the Named Executive Officers of the Company in the event of a Change of Control or termination without cause of such Named Executive Officers on December 31, 2022.

<b>Name</b>	<b>Estimated Payment for a Termination without Cause during a Window Period<sup>(1)</sup></b> <b>(\$)</b>	<b>Estimated Payment for a Termination without Cause outside a Window Period<sup>(2)</sup></b> <b>(\$)</b>
Keith Morrison, Chief Executive Officer	852,150	852,150

**Notes:**

- (1) Represents fees for a period of 24 months at approximately \$35,506 per month, plus applicable tax, as well as the value of \$Nil options that would become vested as a result of such event, based on the closing price of the PNRL Shares of \$1.60 on December 30, 2022.

Name	Estimated Change of Control Payment (\$)	Estimated Termination Without Cause Payment <sup>(1)</sup> (\$)
Sarah Zhu, Chief Financial Officer	Nil	189,000

**Note:**

(1) Represents 10.5 month period of fees at \$18,000 per month, plus applicable taxes.

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

The Company has a human resources and compensation committee (the "**Compensation Committee**"), currently comprised of John Hick (Chair), Jason LeBlanc and William O'Reilly. The Compensation Committee is responsible for overseeing the Company's remuneration policies and practices and determining the compensation of the Named Executive Officers and directors.

The Company's executive compensation program has three principal components: base salaries, consulting fees, incentive bonus plans and Options.

*Base Salary*

The Company provides executive officers with base salaries or consulting fees, which represent their minimum compensation for services rendered, or expected to be rendered. The Named Executive Officers' base compensation depends on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness and the Company's existing financial resources.

The amount of base compensation is determined through negotiation of employment terms with each Named Executive Officer and is determined on an individual basis. While base compensation is intended to fit into the Company's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business also impacts the level of base compensation. Compensation is set with informal reference to the market for similar jobs in Canada and internationally.

*Incentive Bonuses*

Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performance for executive officers and employees. As the Company grows and develops its projects, it is expected that an annual incentive award program will be formalized that will clearly articulate performance objectives and specific measurable goals that will be linked to individual performance criteria set for the Named Executive Officers and other executive officers. No bonuses were paid to executive officers or employees during the Company's financial year ended December 31, 2022.

*Option-Based Awards*

Options are granted pursuant to the Option Plan to provide an incentive to the directors, officers, employees and Consultants of the Company to achieve the longer-term objectives of the Company, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. The Company awards Options based upon the recommendation of the Compensation Committee, which recommendation is based on the Compensation Committee's review of a proposal from the Chief Executive Officer. Previous grants of Options are taken into account when considering new grants. During the year ended December 31, 2022, no additional Options were granted under the Option Plan from the Closing to December 31, 2022.

The implementation of new incentive share option plans and amendments to the Option Plan are the responsibility of the Compensation Committee.

At the Meeting, PNRL Shareholders will be asked to consider and approve the Amended Option Plan. See *"Particulars of Matters to be Acted Upon at the Meeting" – "Approval of the Amended Option Plan"*.

#### *DSU Awards*

During the year ended December 31, 2022, DSUs have been granted to the following non-executive directors:

<b>Name and Position</b>	<b>Number of DSUs granted</b>	<b>Date of Grant</b>	<b>Issue Price (\$)</b>	<b>Closing Price of Security or Underlying Security on Date of Grant (\$)</b>	<b>Closing Price of Security or Underlying Security at Year End (\$)</b>	<b>Expiry Date</b>
<b>John Hick</b> Lead Director	60,000	December 31, 2022	1.49	1.60	1.60	NA
<b>Don Newberry</b> Director	40,000	December 31, 2022	1.49	1.60	1.60	NA
<b>William O'Reilly</b> Director	50,000	December 31, 2022	1.49	1.60	1.60	NA
<b>Sean Whiteford</b> Former Director <sup>(1)</sup>	50,000	December 31, 2022	1.49	1.60	1.60	NA

**Note:**

(1) Mr. Whiteford left the Board on March 2, 2023. He continues as the president of PNRL.

At the Meeting, PNRL Shareholders will be asked to consider and approve the DSU Plan and Prior Grants. See *"Particulars of Matters to be Acted Upon at the Meeting" – "Approval of the DSU Plan"* and *"Particulars of Matters to be Acted Upon at the Meeting" – "Approval of Prior DSU Grants"*.

#### *Other Compensation*

Other than as outlined herein, the Company has no other forms of compensation, although payments may be made from time to time to individuals, or the companies they control, for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

#### *Compensation Risks*

The Compensation Committee is responsible for considering, reviewing and establishing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company believes the programs are balanced and do not motivate unnecessary or excessive risk taking.

Base salaries are fixed in amount and thus do not encourage risk taking. The Company does not currently have any annual incentive or bonus programs.

Option awards are important to further align the interests of Named Executive Officers with those of the PNRL Shareholders. The ultimate value of the awards is tied to the Company's share price and, since awards are staggered and subject to long-term vesting schedules, they help ensure that Named Executive Officers have significant value tied to long-term share price performance.

## Hedging

The Company has not established any policies related to the purchase by directors or executive officers of financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by any director or executive officer of the Company.

## Pension Disclosure

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders <sup>(1)</sup>	22,600,000	\$1.29	12,192,956 <sup>(4)</sup>
Equity compensation plans not approved by securityholders <sup>(2)</sup>	5,000,000	-	4,800,000 <sup>(4)</sup>
<b>Total</b>	<b>27,600,000</b>	<b>\$1.29</b>	<b>16,992,956<sup>(3)(4)</sup></b>

### Notes:

- (1) Represents information relating to the Option Plan.
- (2) Represents information relating to the DSU Plan. Approval of the DSU Plan and Prior Grants are being sought at the Meeting.
- (3) The number of PNRL Shares reserved for issuance under the Option Plan, the DSU Plan and pursuant to all other security-based compensation arrangements of the Company and its subsidiary shall, in the aggregate, not exceed 20% of the number of PNRL Shares then issued and outstanding.
- (4) Subsequent to the year ended December 31, 2022, the Company granted an aggregate of 3,783,277 Options on August 8, 2023 with an exercise price of \$1.75 per share, expiry date of August 8, 2023 and vesting annually in equal thirds beginning the first anniversary of the date of grant. As of the date hereof, 14,065,321 Options and 322,901 DSUs are outstanding, with 12,134,679 Options and 4,677,099 DSUs remaining available for future issuance under the equity compensation plans, subject to the overall limit provided in note 3 above. See also "*Particulars of Matters to be Acted upon at the Meeting – Approval of the Amended Option Plan*", "*Particulars of Matters to be Acted upon at the Meeting – Approval of the DSU Plan*" and "*Particulars of Matters to be Acted upon at the Meeting – Approval of Prior DSU Grants*" for more details on the equity compensation plans and securities of the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than any indebtedness that has been entirely repaid on or before the date of this Information Circular or "**routine indebtedness**" (as defined in Form 51-102F5 – *Information Circular* of NI 51-102), none of:

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;
- (b) the proposed Nominees for election as a director of the Company; or
- (c) any Associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries, or indebted to another entity, where such indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular or in the notes to the audited consolidated financial statements of the Company for the financial year ended December 31, 2022, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed Nominees for election as a director of the Company; or
- (c) any Associate or Affiliate of the foregoing persons,

has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction, which, in either case, has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

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

#### Financial Statements

At the Meeting, PNRL Shareholders will receive and consider the audited consolidated financial statements of PNRL as at and for the years ended December 31, 2022, and the independent auditor's report thereon, but no vote by the PNRL Shareholders with respect thereto is required or proposed to be taken. These annual financial statements, the auditor's report thereon and the related management's discussion and analysis for the financial year ended December 31, 2022 have been mailed to the PNRL Shareholders who requested to receive them and are also available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under PNRL's issuer profile. Additional copies of the financial statements may be obtained from the Company on request and will be available at the Meeting.

#### Election of the Directors

Each director of the Company is elected annually and holds office until the next annual general meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of PNRL or any successor corporation thereof. The Board currently consists of six directors, the term of office for each of whom expires at the close of the Meeting and the Board has determined that six directors will be elected at the Meeting.

PNRL Shareholders will be asked at the Meeting to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution (the "**Director Election Resolution**") electing each of the current directors, namely Jason LeBlanc, Mark Christensen, John Hick, Keith Morrison, Don Newberry and William O'Reilly (the "**Nominees**"), as directors of the Company to hold office from the close of the Meeting until the next annual general meeting of the PNRL Shareholders or until their successors are duly elected or appointed.

The full text of the Director Election Resolution is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting*" to this Information Circular. In order to be passed, the Director Election Resolution requires the approval of a majority of the votes cast thereon by PNRL Shareholders present in person or represented by proxy at the Meeting.

**The Board unanimously recommends that PNRL Shareholders vote FOR the Director Election Resolution. In the absence of instructions to the contrary, the persons whose names appear in the enclosed Proxy intend to vote FOR the Director Election Resolution.**

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. All Nominees have established their eligibility and willingness to serve as directors.

Information with respect to each Nominee is included below. The disclosure below is based upon information furnished by the respective Nominee. Except as otherwise indicated, each of the proposed Nominees has held the principal occupation shown beside the Nominee's name in the tables below, or another executive office with the same or a related company, for the last five years.

#### *Board of Directors*

The following table sets out required information regarding the persons nominated by management for election as a director. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

<b>Name, Province or State and Country of Residence, Present Position with the Company</b>	<b>Principal Occupation and, if not at Present an Elected Director, Occupation During the Past Five Years</b>	<b>Director Since</b>	<b>Number of PNRL Shares Beneficially Owned, Controlled or Directed<sup>(1)</sup></b>
<b>Jason LeBlanc<sup>(2)(3)</sup></b> Ontario, Canada Director	Corporate director	May 15, 2023	250,000
<b>Mark Christensen</b> Ontario, Canada Director	Founder and CEO of KES 7 Capital Inc.	August 4, 2023	Nil
<b>John Hick<sup>(2)(3)(4)</sup></b> Ontario, Canada Lead Director	Corporate director	February 26, 2021	130,042
<b>Keith Morrison</b> Ontario, Canada Chief Executive Officer and Chairman of the Board	Chief Executive Officer and Chairman of the Board	December 17, 2014	7,233,523 <sup>(5)</sup>
<b>Don Newberry<sup>(2)(4)</sup></b> Ohio, United States Director	Chief Financial Officer at Ohio Truck Sales	October 12, 2022	95,000
<b>William O'Reilly<sup>(3)(4)</sup></b> Ontario, Canada Director	Corporate director	August 9, 2022	292,100

#### **Notes:**

- (1) The information as to PNRL Shares beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective Nominee. The information is provided as of the Record Date.
- (2) Member of the Audit Committee.
- (3) Member of the Human Resources and Compensation Committee.
- (4) Member of the Corporate Governance and Nominating Committee.
- (5) Mr. Morrison holds: (i) 3,278,430 PNRL Shares, directly; (ii) 336,330 PNRL Shares, indirectly, through Lacnikdon Limited, a private company beneficially owned or controlled by Mr. Morrison; and (iii) 3,618,763 PNRL Shares, indirectly, through Breniklan Limited, a private company beneficially owned or controlled by Mr. Morrison.

As of the Record Date, there are 135,730,527 PNRL Shares issued and outstanding. The directors of PNRL, as a group, beneficially own, control or direct, directly or indirectly, 9,246,787 PNRL Shares, representing approximately 6.8% of the PNRL Shares outstanding as of the Record Date.

### *Board Biographies*

The following are brief biographies of the Board.

#### ***Jason LeBlanc, Director***

Mr. LeBlanc has over 20 years of financial, business and capital markets experience in the mining industry. Most recently, he was the Chief Financial Officer of Yamana Gold Inc. from 2017 to 2023, following successively senior roles with Yamana Gold Inc. since 2006 that included debt and equity raises totaling over \$2 billion and extensive M&A and other corporate transactions totaling over \$15 billion. Mr. LeBlanc holds a Master of Finance degree from the University of Toronto and a Bachelor of Commerce degree from the University of Windsor. He also holds a Chartered Financial Analyst designation.

Mr. LeBlanc was appointed a director of the Company on May 15, 2023.

#### ***Mark Christensen, Director***

Mark Christensen has spent the last 30 years as a specialist advisor/banker in public and private capital markets. He has experience in a broad range of corporate and capital market transactions, from mergers and acquisitions and "grey market" trading, to equity and debt structured financings totalling in the tens of billions of dollars. Mr. Christensen is the Founder and CEO of KES 7 Capital Inc., a Toronto-based, merchant bank and single-family office that targets bespoke investments in the resource, healthcare, real estate and technology sectors. Prior to founding KES 7, Mr. Christensen was Vice Chairman and Head of Global Sales and Trading at GMP Securities (now Stifel Canada), which was one of Canada's largest independent investment banks, where he served as a member of the Executive Committee, Compensation Committee and New Names Committee. Previously he worked in equity research at Midland Walwyn Capital Inc. (now Merrill Lynch/Bank of America) and corporate finance at Goepel McDermid Inc. (now Raymond James Financial). Mr. Christensen's background in geology and geophysics has provided him with valuable insight into extractive resource industries. He holds a Master of Science degree from the University of Windsor, Canada and a Bachelor of Science degree from the University of Hull, United Kingdom.

Mr. Christensen was appointed a director of the Company on August 4, 2023.

#### ***John Hick, Director***

Mr. Hick has over 40 years of experience in the mining industry in both senior management positions and as an independent director. He currently serves as an independent director, and in some cases the non-executive Chairman, to a number of publicly listed companies. Formerly, Mr. Hick has held board and/or senior management positions with a number of other Canadian mining companies, including Medoro Resources Ltd., St. Andrew Goldfields Ltd., First Uranium Corp., Defiance Mining Corp./Geomaque Explorations Ltd, TVX Gold Inc., Cambior Inc., Rio Narcea Gold Mines Ltd, Rayrock Resources Inc., Revett Minerals Inc. and Placer Dome Inc. Mr. Hick holds a B.A. from the University of Toronto, and a LLB from the University of Ottawa. He currently serves as a director of PNRL, the Chairman of Mako Mining Corp., a director of Diamond Estates Wines & Spirits Inc. and a director of Sameco Gold Ltd.

#### ***Keith Morrison, Chief Executive Officer and Chairman of the Board***

Mr. Morrison has over 40 years of global experience in the resources sector, with an accomplished background in strategy, finance, exploration, technology, global operations, capital markets and corporate development. Formerly, Mr. Morrison co-founded two significant Canadian-based success stories, Quantec, a world-leader in deep sub-surface imaging technologies, and QGX, a Canadian-based public exploration company which operated in Mongolia prior to its acquisition. Since 1986, Mr. Morrison has continuously served on private and public company board of directors,

and senior management teams as Chief Executive Officer. During this period, he has been in leadership positions through multiple commodity cycles and several black swan events. He currently serves as a director and the Chief Executive Officer of PNR, and a director and the Chief Executive Officer of PNRL.

*Don Newberry, Director*

Mr. Newberry has over 20 years of experience in a variety of senior financial and project management leadership roles and he is currently the Chief Financial Officer at Ohio Truck Sales. Don has spent most of his career working internationally in the Mining industry for Diavik Diamond Mines, Cleveland Cliffs, and Nyrstar. He is experienced in overseeing large mining projects from studies through to execution, risk management, M&A, integration, and implementing financial controls and oversight of company's assets. Mr. Newberry completed his bachelor of Commerce (Accounting) at Ottawa University, Master of Business Administration (MBA) in Global Management at University of Phoenix, and he also completed the Program for Leadership Development (PLD) at Harvard Business School. He is a Chartered Professional Accountant / Certified Management Accountant (CPA, CMA).

Mr. Newberry was appointed a director of the Company on October 12, 2022.

*William O'Reilly, Director*

Mr. O'Reilly is a Corporate Director. He was Managing Partner and a member of the Management Committee of Davies Ward Phillips & Vineberg LLP, a leading Canadian law firm, from 1997 until his retirement from those positions on May 31, 2010. He was a partner of that firm from 1976 to December 31, 2011, except for the period between August 1993 and January 1996 when he served as an executive officer of Russel Metals Inc., one of North America's leading metals distribution companies. Mr. O'Reilly has served as a director of Russel Metals Inc. since May, 2009, and has at various times served as Chair of its Nominating and Corporate Governance Committee, its Management Resources and Compensation Committee and its Environmental Management and Health and Safety Committee.

Mr. O'Reilly was appointed a director of the Company on August 9, 2022.

*Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

For the purposes of the following disclosure, "**order**" means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, any of which was in effect for a period of more than thirty (30) consecutive days.

Except as disclosed below, to the knowledge of the Company, no proposed Nominee:

- (a) is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including PNRL) that,
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director or executive officer of any company (including PNRL) 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, amalgamation or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (c) has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, amalgamation 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 securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Hick was a director of the Carpathian Gold Inc. ("**Carpathian**") when, on April 16, 2014, the Ontario Securities Commission issued a permanent management cease trade order, which superseded a temporary management cease trade order (the "**MCTO**") dated April 4, 2014, against the management of Carpathian. The MCTO was issued in connection with the Carpathian's failure to file its audited annual financial statements for the year ended December 31, 2013, management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2013, and corresponding certifications of the foregoing filings as required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. The MCTO was lifted on June 19, 2014 following the filing of the required continuous disclosure documents on June 17, 2014.

Mr. Christensen was a director of Lilis Energy, Inc. ("**Lilis**"), an exploration and production company operating in the Permian Basin of West Texas and Southeastern New Mexico. Mr. Christensen resigned from the Lilis board of directors on April 14, 2020. On June 29, 2020, Lilis filed petitions under Chapter 11 of the United States Bankruptcy Code. Lilis announced on June 30, 2020 that it had received notification dated June 29, 2020 from the NYSE American LLC that Lilis' common stock had been suspended from trading on the NYSE American and that Lilis was no longer suitable for listing. On December 2, 2020, Lilis announced the closing of the sale of substantially all of the assets of Lilis and its filing subsidiaries to Ameredev Texas, LLC pursuant to a previously disclosed bankruptcy court-approved purchase and sale agreement.

### **Appointment and Remuneration of Auditor**

At the Meeting, PNRL Shareholders will be asked to approve the appointment of MNP LLP as the auditor of the Company to hold office until the close of the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board to fix the auditor's remuneration. MNP LLP has been the auditor of the Company since December 6, 2022. The full text of the resolution approving the appointment of MNP LLP as the auditor of the Company is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting*" to this Information Circular.

Immediately prior to the RTO Transaction, the auditor of NAN was Dale Matheson Carr-Hilton Labonte LLP, a British Columbia-based firm. Upon completion of the RTO Transaction, the Company commenced a search process to engage a new auditor in anticipation of the resignation of Dale Matheson Carr-Hilton Labonte LLP.

In accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), a copy of the prescribed reporting package relating to the change in auditors is attached as Appendix "E" – "*Change in Auditor – Reporting Package*" to this Information Circular, including the Company's notice of change of auditor dated December 15, 2022, and letters of acknowledgement from each of MNP LLP and Dale Matheson Carr-Hilton Labonte LLP dated December 5, 2022 and December 14, 2022, respectively. As noted in the reporting package, no "**reportable events**" (within the meaning of NI 51-102) have occurred and Dale Matheson Carr-Hilton Labonte LLP did not express a modified opinion on any of its reports on the Company's financial statements for the audits of the two most recently completed fiscal years of the Company.

**The persons named in the accompanying Proxy intend to vote FOR the appointment of MNP LLP as the auditor of the Company until the close of the next annual general meeting of shareholders or until its successor is**

**appointed and the authorization of the Board to fix the remuneration of MNP LLP, unless the PNRL Shareholder who has given such Proxy has directed that the PNRL Shares represented by such Proxy be withheld from voting in respect of the appointment of the auditor of the Company.**

### **Approval of the Amended Option Plan**

The Company's current Option Plan was most recently approved at the annual and special meeting of shareholders held on June 23, 2022. Pursuant to Exchange Policy 4.4, PNRL Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution to approve of Option Plan with amendments (as detailed below) (the "**Option Plan Resolution**"), the full text of which is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting*" to this Information Circular.

The Option Plan Resolution provides for the Option Plan be amended as follows: (i) to provide that in the event of the resignation, or the termination or removal of an optionee without just cause, any vested Option granted to such optionee will be exercisable for a period of 90 days thereafter, which may be extended at the discretion of the Board for a period not exceeding 12 months (the "**Exercise Extension Discretion**"); and (ii) increasing the maximum number of PNRL Shares which may be issuable pursuant to options granted under the Option Plan from 22,600,000 PNRL Shares to 27,100,000 PNRL Shares. The 27,100,000 PNRL Shares represent approximately 20% of the outstanding PNRL Shares as of the Record Date. Certain other amendments of a housekeeping nature will also be made. See "*Option Plans and Other Incentive Plans*" – "*Amended Option Plan*" above for a summary of the Amended Option Plan.

Pursuant to the policies of the Exchange, the Company is required to obtain shareholder approval of the Amended Option Plan in connection with the implementation thereof. If the Option Plan Resolution is approved by PNRL Shareholders at the Meeting, the Amended Option Plan will supersede and replace the Option Plan and existing Options which are outstanding under the Option Plan will be incorporated into the Amended Option Plan and governed by the Amended Option Plan.

In accordance with the policies of the Exchange, the Option Plan Resolution will require disinterested shareholder approval, being the approval of a majority of the votes cast in person or by proxy at the Meeting by the PNRL Shareholders, excluding any PNRL Shares held, as of the Record Date, by insiders of the Company eligible to receive grants of Option under the Amended Option Plan and their associates and affiliates (being, to the knowledge of the Company, 13,410,128 PNRL Shares as of the Record Date, representing approximately 9.9% of the issued and outstanding PNRL Shares as of the Record Date) (the "**Option Plan Approval**"). For greater certainty, this disinterested shareholder approval shall constitute the approval to allow for existing Options to be afforded the Exercise Extension Discretion (at the discretion of the Board).

**The Board unanimously recommends that PNRL Shareholders vote FOR the Option Plan Resolution. In the absence of instructions to the contrary, the persons whose names appear in the enclosed Proxy intend to vote FOR the Option Plan Resolution.**

### **Approval of the DSU Plan**

The DSU Plan was adopted by the Board on December 26, 2022. Pursuant to Exchange Policy 4.4, the DSU Plan requires the ratification by PNRL Shareholders within 12 months from the implementation of the DSU Plan. As such, PNRL Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution to approve of DSU Plan with amendments (as detailed below) (the "**DSU Plan Resolution**"), the full text of which is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting*" to this Information Circular. See "*Option Plans and Other Incentive Plans*" – "*DSU Plan*" for a summary of the DSU Plan. A copy of the DSU Plan is attached as Appendix "G" – "*DSU Plan*" to this Information Circular.

Pursuant to the policies of the Exchange, the Company is required to obtain shareholder approval of the DSU Plan in connection with the implementation thereof. If the DSU Plan Resolution is not approved by PNRL Shareholders, the DSU Plan and the Prior Grants (as defined herein) will be terminated.

In accordance with the policies of the Exchange, the DSU Plan Resolution will require shareholder approval, being the approval of a majority of the votes cast in person or by proxy at the Meeting by PNRL Shareholders (the "**DSU Plan Approval**").

**The Board unanimously recommends that PNRL Shareholders vote FOR the DSU Plan Resolution. In the absence of instructions to the contrary, the persons whose names appear in the enclosed Proxy intend to vote FOR the DSU Plan Resolution.**

#### **Approval of Prior DSU Grants**

As permitted by the Exchange Policy 4.4, the Company has granted 322,901 DSUs under the DSU Plan prior to the DSU Plan Approval (the "**Prior Grants**"). At the Meeting, PNRL Shareholders will be asked to approve by ordinary resolution the ratification of Prior Grants (the "**Prior Grants Resolution**").

In accordance with the policies of the Exchange, the Prior Grants Resolution will require disinterested shareholder approval, being the approval of a majority of the votes cast in person or by proxy at the Meeting by the PNRL Shareholders, excluding PNRL Shares held, as of the Record Date, by holders of DSUs and their associates and affiliates (being, to the knowledge of the Company, 927,142 PNRL Shares as of the Record Date, representing approximately 0.7% of the issued and outstanding PNRL Shares as of the Record Date) (the "**Prior Grants Approval**"). If the Prior Grants Approval is not obtained, the Prior Grants will be terminated.

**The Board unanimously recommends that PNRL Shareholders vote FOR the Prior Grants Resolution. In the absence of instructions to the contrary, the persons whose names appear in the enclosed Proxy intend to vote FOR the DSU Grants Resolution.**

#### **APPROVAL**

The undersigned hereby certifies that the contents of this Information Circular and the sending of this Information Circular to PNRL Shareholders have been approved by the Board.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) "Keith Morrison"*

Keith Morrison  
Chief Executive Officer and Chairman of the Board  
Premium Nickel Resources Ltd.

## APPENDIX "A"

### GLOSSARY

The following terms used in this Information Circular have the following meanings. This is not an exhaustive list of defined terms used in this Information Circular.

"**Affiliate**" means a company that is affiliated with another company as described below.

A company is an "**Affiliate**" of another company if:

- (a) one of them is the subsidiary of the other; or
- (b) each of them is controlled by the same Person.

A company is "**controlled**" by a Person if:

- (a) Voting Securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the Voting Securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person; or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Amended Option Plan**" means the amended stock option plan of the Company, a copy of which is attached on Appendix "F"– "*Amended Option Plan*" to this Information Circular.

"**Associate**" when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, Voting Securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity;
- (d) in the case of a Person, who is an individual:
  - (i) that Person's spouse or child, or
  - (ii) any relative of the Person or his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a member firm, member corporation or holding company of a member corporation, then such determination shall be determinative of their relationships in the application of Rule D. 1.00 of the Exchange rule book and policies with respect to that member firm, member corporation or holding company.

"**Audit Committee**" means the Audit and Risk Management Committee of the PNRL Board whose role is to provide oversight of PNRL's financial management.

"**Auditor Appointment Resolution**" has the meaning ascribed in the Information Circular under the heading "*Particulars of Matters to be Acted upon at the Meeting – Appointment and Remuneration of Auditor*", the full text of which is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting – Auditor Appointment Resolution*" to this Information Circular.

"**Beneficial PNRL Shareholders**" means PNRL Shareholders who do not hold PNRL Shares in their own name.

"**Board**" means the board of directors of PNRL.

"**Broadridge**" means Broadridge Investor Communications Corporation.

"**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in Toronto, Ontario.

"**Carpathian**" means Carpathian Gold Inc.

"**Change of Control**" has the meaning given to such term in the policies of the Exchange.

"**Change of Control Window**" has the meaning ascribed thereto in the Information Circular under the heading "*Executive Compensation – Employment, Consulting and Management Agreements*".

"**Closing**" means the closing of the RTO Transaction.

"**Company**" means PNRL.

"**Compensation Committee**" means the Human Resources and Compensation Committee of the Company.

"**Consultant**" has the meaning ascribed thereto in the Option Plan.

"**Crediting Date**" has the meaning ascribed thereto in the Information Circular under the heading "*Executive Compensation – Option Plans and Other Incentive Plans – DSU Plan – Administration of Grants*".

"**Director Election Resolution**" has the meaning ascribed thereto in the Information Circular under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors*", the full text of which is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting – Director Election Resolution*" to this Information Circular.

"**disinterested shareholders**" means a shareholder who is not a director, officer, promoter or other Insider of the Company or its Associates or Affiliates, as such terms are defined under the *Securities Act* (Ontario).

"**Dockside**" means Dockside Capital Group Inc.

"**DSUs**" has the meaning ascribed thereto in the Information Circular under the heading "*Executive Compensation - Option Plans and Other Incentive Plans – DSU Plan*".

"**DSU Plan**" means the Company's deferred share unit plan effective December 26, 2022.

"**DSU Plan Resolution**" has the meaning ascribed thereto in the Information Circular under the heading "*Particulars of Matters to be Acted upon at the Meeting – Approval of the DSU Plan*", the full text of which is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting – DSU Plan Resolution*" to this Information Circular.

"**DSUP Member**" has the meaning ascribed thereto in the Information Circular under the heading "*Executive Compensation – Option Plans and Other Incentive Plans – DSU Plan – Eligibility*".

"**Effective Date**" has the meaning ascribed thereto in the Information Circular under the heading "*Executive Compensation – Option Plans and Other Incentive Plans – DSU Plan – Eligibility*".

"**Eligible Director**" has the meaning ascribed thereto under the DSU Plan.

"**Exchange**" means the TSX Venture Exchange.

"**Exchange Policy 4.4**" means Exchange Policy 4.4 – *Incentive Stock Options*.

"**Exercise Extension Discretion**" has the meaning ascribed in the Information Circular under the heading "*Particulars of Matters to be Acted Upon at the Meeting*" – "*Approval of the Amended Option Plan*".

"**Fiscal Year**" means the Company's fiscal year commencing on January 1 and ending on December 31 or such other fiscal year as approved by the Board.

"**Governmental Entity**" means: (i) any supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing; (ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court; and (iii) any corporation or other entity owned or controlled, through share or capital ownership or otherwise, by any of such entities or other bodies.

"**Information Circular**" means this management information circular of PNRL dated August 8, 2023.

"**Informed Person**" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, Voting Securities of the Company or who exercises control or direction over Voting Securities of the Company, or a combination of both, carrying more than 10 percent of the voting rights attached to all outstanding Voting Securities of the Company, other than the Voting Securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

"**Insider**" if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of a company that is an insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

"**Intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial PNRL Shareholders.

"**Law**" means any laws, including, without limitation, supranational, national, provincial, state, municipal and local civil, commercial, banking, tax, personal and real property, security, mining, environmental, water, energy, investment, property ownership, land use and zoning, sanitary, occupational health and safety laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by- laws, rules, regulations, ordinances, protocols, codes, guidelines, policies, notices, directions or other requirements of any Governmental Entity.

"**Lilis**" means Lilis Energy, Inc.

"**Market Value**" has the meaning ascribed thereto in the Information Circular under the heading "*Executive Compensation – Option Plans and Other Incentive Plans – DSU Plan – Share Limits and Market Value*".

"**MCTO**" has the meaning ascribed thereto in the Information Circular under the heading "*Cease Trade Orders, Bankruptcies, Penalties or Sanctions*".

"**Meeting**" means the annual general and special meeting of the PNRL Shareholders to be held on Wednesday, September 20, 2023 at 10:00 a.m. (Toronto time) at the offices of Bennett Jones LLP located at 100 King Street West, Suite 3400, Toronto, Ontario, M5X 1A4, Canada, and any adjournment or postponement thereof.

"**Meeting Materials**" means, collectively, the Notice of Meeting, this Information Circular and, as the case may be, a VIF or Proxy.

"**NAN**" means North American Nickel Inc., the name of the Company prior to the RTO Transaction;

"**NEO**" or "**Named Executive Officers**" means a named executive officer, which includes:

- (a) the chief executive officer (the "**CEO**");
- (b) the chief financial officer (the "**CFO**");
- (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the relevant period in question whose total compensation was, individually, more than CDN \$150,000; and each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that period.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**NI 52-110**" means National Instrument 52 -110 – *Audit Committee Disclosure (Venture Issuers)*.

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"**NI 58-101**" means National Instrument 58-101 - *Corporate Governance Disclosure (Venture Issuers)*.

"**NOBOs**" means non-objecting beneficial owners.

"**Nominees**", and each a "**Nominee**", has the meaning ascribed thereto under section titled "*Particulars of Matters to be Acted Upon at the Meeting*" of this Information Circular.

"**Notice of Meeting**" means the notice of annual general and special meeting of PNRL Shareholders that accompanies this Information Circular.

"**OBCA**" means the *Business Corporations Act (Ontario)* and all regulations thereunder, as amended from time to time.

"**OBOs**" means objecting beneficial owners.

"**Option**" means an incentive share option of PNRL.

"**Option Plan**" means the Company's incentive share option plan effective August 3, 2022.

"**Option Plan Resolution**" has the meaning ascribed thereto in the Information Circular under the heading "*Particulars of Matters to be Acted upon at the Meeting – Approval of the Amended Option Plan*", the full text of which is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting – Option Plan Resolution*" to this Information Circular.

"**Person**" means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status.

"**PNRC**" means Premium Nickel Resources Corporation.

"**PNRIL**" means Premium Nickel Resources International Ltd., one of the Company's Barbados subsidiaries.

"**PNRL**" means Premium Nickel Resources Ltd., a corporation existing under the OBCA.

"**PNRL Shareholders**" means the holders of PNRL Shares.

"**PNRL Shares**" means the common shares of PNRL.

"**PNRPL**" means Premium Nickel Resources Proprietary Limited, one of the Company's Botswana subsidiaries.

"**Prior Grant**" has the meaning ascribed thereto in the Information Circular under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Approval of Prior DSU Grants*".

"**Prior Grants Approval**" has the meaning ascribed thereto in the Information Circular under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Approval of Prior DSU Grants*".

"**Prior Grants Resolution**" has the meaning ascribed thereto in the Information Circular under the heading "*Particulars of Matters to be Acted Upon at the Meeting – Approval of Prior DSU Grants*", the full text of which is set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting – Prior Grants Resolution*" to this Information Circular.

"**Proxy**" means the form of proxy accompanying this Information Circular.

"**Record Date**" means the close of business on August 3, 2023.

"**Registered PNRL Shareholders**" means shareholders of PNRL whose names appear on the records of PNRL as the registered holders of PNRL Shares.

"**Resolutions**" means, together, the Director Election Resolution, the Auditor Appointment Resolution, the Option Plan Resolution, the DSU Plan Resolution and the Prior Grants Resolution, all as more particularly set forth in Appendix "B" – "*Resolutions to be Approved at the Meeting*" to this Information Circular.

"**RTO Transaction**" means the triangular amalgamation involving NAN, 1000178269 Ontario Inc. (a wholly-owned subsidiary of NAN) and PNRC.

"**Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time.

"**SEDAR+**" means the System for Electronic Analysis and Retrieval.

"**VIF**" means a voting instruction form.

"**Voting Securities**" shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

"**VWAP**" means volume weighted average trading price.

## APPENDIX "B"

### RESOLUTIONS TO BE APPROVED AT THE MEETING

Unless noted otherwise herein, capitalized terms used in these resolutions that are not otherwise defined herein shall have the meanings ascribed to them in the management information circular of the Company dated August 8, 2023 (the "**Information Circular**").

#### **Director Election Resolution**

**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:** each of Jason LeBlanc, Mark Christensen, John Hick, Keith Morrison, Don Newberry and William O'Reilly is hereby elected as a director of the Company to hold office from the close of the Meeting until the next annual general meeting of the PNRL Shareholders, or until his successor is duly elected or appointed.

#### **Auditor Appointment Resolution**

**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:** MNP LLP be, and hereby is, appointed as the independent auditor of the Company, to hold office until the next annual general meeting of PNRL Shareholders or until a successor is appointed, and to authorize the Board to fix the auditor's remuneration.

#### **Option Plan Resolution**

**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Amended Option Plan, in substantially the form attached on Appendix "F" – "*Amended Option Plan*" to the Information Circular, is hereby authorized and approved as the stock option plan of the Company;
2. An aggregate of 27,100,000 PNRL Shares be, and hereby are, reserved for issuance under the Amended Option Plan and all of the Company's other previously established or proposed share compensation arrangements;
3. The Board is hereby authorized to exercise the Exercise Extension Discretion in respect of all outstanding Options as of the date of this resolution;
4. The Company be, and hereby is, authorized and directed to issue PNRL Shares in accordance with the terms of the Amended Option Plan and, upon issue in accordance with the terms of the Amended Option Plan, shall be fully paid and non-assessable common shares of the Company;
5. Notwithstanding that this resolution be passed by the shareholders of the Company, the adoption of the proposed Amended Option Plan is conditional upon receipt of any applicable regulatory approvals, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors;
6. The Board is hereby authorized to make such amendments to the Amended Option Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Amended Option Plan, the approval of the shareholders; and
7. Any one director or officer of the Company be, and hereby is, authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give

full effect to the foregoing provisions of this resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

#### **DSU Plan Resolution**

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

1. The DSU Plan, in substantially the form attached on Appendix "G" – "*DSU Plan*" to the Information Circular, is hereby authorized and approved as the DSU plan of the Company;
2. The Company be, and hereby is, authorized and directed to issue PNRL Shares in accordance with the terms of the DSU Plan and, upon issue in accordance with the terms of the DSU Plan, any such PNRL Shares shall be fully paid and non-assessable common shares of the Company;
3. The Board be, and hereby is, authorized and empowered to make any changes to the DSU Plan as may be required by the Exchange; and
4. Any one director or officer of the Company be, and hereby is, authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing provisions of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

#### **Prior Grants Resolution**

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

1. All prior grants of DSUs pursuant to the DSU Plan are hereby ratified and approved; and
2. Any one director or officer of the Company be, and hereby is, authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing provisions of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

## APPENDIX "C"

### CORPORATE GOVERNANCE DISCLOSURE

#### FORM 58-101F2 – CORPORATE GOVERNANCE DISCLOSURE (VENTURE ISSUERS)

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 – *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* of NI 58-101. All capitalized terms used in this Appendix "C" – "*Corporate Governance Disclosure*" have the meanings set forth herein and, unless the context otherwise requires, should not be interpreted with reference to the "*Glossary*" in the Information Circular.

#### **Item 1: Board Of Directors**

The Board supervises the CEO and the CFO. Both the CEO and the CFO are required to act in accordance with the scope of authority provided to them by the Board. The Board consists of six directors, all of whom, except Mr. Morrison, is independent for the purposes of NI 58-101. For the purposes of determining independence, a director is independent if the director has no direct or indirect material relationship with the Company which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment.

**Jason LeBlanc**, a director of the Company, is "independent" in that he is free from any direct or indirect material relationship with the Company.

**Mark Christensen**, a director of the Company, is "independent" in that he is free from any direct or indirect material relationship with the Company.

**John Hick**, the Lead Director of the Company, is "independent" in that he is free from any direct or indirect material relationship with the Company.

**Keith Morrison**, a director of the Company, is also the Chief Executive Officer of the Company and is therefore not "independent".

**Don Newberry**, a director of the Company, is "independent" in that he is free from any direct or indirect material relationship with the Company.

**William O'Reilly**, a director of the Company, is "independent" in that he is free from any direct or indirect material relationship with the Company.

#### **Item 2: Directorships**

The current directors of the Company are currently directors of the following other reporting issuers:

Name of proposed Director	Name of Reporting Issuer
John Hick	Diamond Estates Wines & Spirits Inc.
	Mako Mining Corp.
	Samco Gold Ltd.
William O'Reilly	Russel Metals Inc.

### **Item 3: Orientation and Continuing Education**

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Company. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

### **Item 4: Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Company is committed to the highest standards of legal and ethical business conduct, and to that end the Board has adopted a Code of Business Conduct and Ethics on August 9, 2022. The Board and Chair of the Audit Committee are responsible for overseeing compliance with such Code and the CEO is charged to ensure adherence to the Code. The Company's directors, officers, employees, consultants and agents are required to certify annually that they have read and understand such Code. A copy of such Code is available on the Company's website at [www.premiumnickelresources.ca](http://www.premiumnickelresources.ca).

### **Item 5: Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the PNRL Shareholders for election at the annual meeting of PNRL Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board has a Corporate Governance and Nominating Committee which assists the Board with the above-noted matter relating to the nominations. See "*Item 7: Other Board Committees*" below.

### **Item 6: Compensation**

The Compensation Committee is responsible for, among other things, evaluating the performance of the Company's executive officers, determining or making recommendations to the Board with respect to the compensation of the Company's executive officers, making recommendations to the Board with respect to director compensation, incentive compensation plans and equity-based plans, making recommendations to the Board with respect to the compensation policy for the employees of the Company and its subsidiaries and ensuring that the Company is in compliance with all legal requirements with respect to compensation disclosure. In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

The Compensation Committee is currently composed of John Hick (Chair), Jason LeBlanc and William O'Reilly, each of whom is an independent director within the meaning set out in NI 58-101.

Each member of the Compensation Committee is an experienced participant in business or finance, and each has prior experience as a director of other companies, charities or business associations, in addition to the Board.

The recommendations of the Compensation Committee are based primarily on analysis which compares the Company's pay levels and compensation practices with other reporting issuers of similar size as and which are active in the industry and/or market in which the Company competes for talent. This analysis provides valuable information that will allow the Company to make adjustments, if necessary, to attract and retain the best individuals to meet the Company's needs and provide value to the PNRL Shareholders.

### **Item 7: Other Board Committees**

In addition to the Audit Committee and the Compensation Committee, the Board formed the following committees with the members indicated:

<b>Committee</b>	<b>Director/Officer Members</b>	<b>Description of Function of Committee</b>
Disclosure Committee	Keith Morrison, John Hick and Sean Whiteford	The Disclosure Committee assists the Company's officers and directors in fulfilling the Company's and their responsibilities regarding (i) the identification and disclosure of material information about the Company and (ii) the accuracy, completeness and timeliness of the company's financial reports.
Corporate Governance and Nominating Committee	William O'Reilly (Chair), John Hick and Don Newberry	Maintain the system of rules, practices and processes by which the Company is directed and controlled. Its primary function is to assist the Board in fulfilling its oversight responsibilities by: (i) assessing the effectiveness of the Board as a whole as well as evaluating the contribution of individual members; (ii) assessing and improving the Company's governance practices; (iii) proposing new nominees for appointment to the Board; and (iv) orienting new directors.
Technical Committee	Don Newberry (Chair) and Keith Morrison	Discussing, developing and applying specialist geotechnical knowledge related to the Company's materials and disclosure.

### **Item 8: Assessments**

The Corporate Governance and Nominating Committee is responsible for monitoring the effectiveness of the Board, its committees and individual directors.

## APPENDIX "D"

### AUDIT COMMITTEE DISCLOSURE

Pursuant to National Instrument 52-110 – *Audit Committees* ("NI 52-110"), reporting issuers are required to provide disclosure with respect to their audit committee, including the text of the audit committee charter, the composition of the audit committee and the fees paid to the external auditor. The following information regarding the Company's Audit Committee is presented in accordance with Form 52-110F2 – *Audit Committee Disclosure (Venture Issuers)* of NI 52-110. All capitalized terms used in this Appendix "D" – "*Audit Committee Disclosure*" shall have the meanings set forth herein and, unless the context otherwise requires, should not be interpreted with reference to the "*Glossary*" to this Information Circular.

#### **Item 1: The Audit Committee Charter**

The Board originally adopted an Audit Committee Charter on May 2, 2006, and adopted a revised Audit Committee Charter on August 9, 2022, a copy of which is attached on Schedule "A" to this Appendix "D" – "*Audit Committee Disclosure*". A copy of the Audit Committee Charter is also available on the Company's website at [www.premiumnickelresources.ca](http://www.premiumnickelresources.ca).

#### **Item 2: Composition of the Audit Committee**

##### Audit Committee

The following are the members of the Audit Committee together with directors who were members of the Audit Committee between the Closing and December 31, 2022:

Name	Whether Independent <sup>(1)</sup>	Whether Financially Literate <sup>(2)</sup>
Jason LeBlanc (Chair)	Independent	Financially Literate
John Hick	Independent	Financially Literate
Don Newberry	Independent	Financially Literate
Sheldon Inwentash <sup>(3)</sup>	Independent	Financially Literate
William O'Reilly <sup>(4)</sup>	Independent	Financially Literate

##### **Notes:**

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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.
- (3) Member of the Audit Committee from August 9, 2022 to October 12, 2022.
- (4) Member of the Audit Committee from August 9, 2022 to May 26, 2022.

#### **Item 3: Relevant Education and Experience**

##### Audit Committee

The relevant education and/or experience of each current member of the Audit Committee is as follows:

Mr. LeBlanc has over 20 years of financial, business and capital markets experience in the mining industry. Most recently, he was the Chief Financial Officer of Yamana Gold Inc. from 2017 to 2023, following successively senior roles with Yamana Gold Inc. since 2006 that included debt and equity raises totaling over \$2 billion and extensive M&A and other corporate transactions totaling over \$15 billion. Mr. LeBlanc holds a Master of Finance degree from

the University of Toronto and a Bachelor of Commerce degree from the University of Windsor. He also holds a Chartered Financial Analyst designation.

Mr. Hick has over 40 years of experience in the mining industry in both senior management positions and as an independent director. He currently serves as an independent director, and in some cases the non-executive Chairman, to a number of publicly listed companies. Formerly, Mr. Hick has held board and/or senior management positions with a number of other Canadian mining companies, including Medoro Resources Ltd., St. Andrew Goldfields Ltd., First Uranium Corp., Defiance Mining Corp./Geomaque Explorations Ltd, TVX Gold Inc., Cambior Inc., Rio Narcea Gold Mines Ltd, Rayrock Resources Inc., Revett Minerals Inc. and Placer Dome Inc. Mr. Hick holds a B.A. from the University of Toronto, and a LLB from the University of Ottawa. He currently serves as a director of PNRL, the Chairman of Mako Mining Corp., a director of Diamond Estates Wines & Spirits Inc. and a director of Samco Gold Ltd.

Mr. Newberry has over 20 years of experience in a variety of senior financial and project management leadership roles and he is currently the Chief Financial Officer at Ohio Truck Sales. Don has spent most of his career working internationally in the Mining industry for Diavik Diamond Mines, Cleveland Cliffs, and Nyrstar. He is experienced in overseeing large mining projects from studies through to execution, risk management, M&A, integration, and implementing financial controls and oversight of company's assets. Mr. Newberry completed his bachelor of Commerce (Accounting) at Ottawa University, Master of Business Administration (MBA) in Global Management at University of Phoenix, and he also completed the Program for Leadership Development (PLD) at Harvard Business School. He is a Chartered Professional Accountant / Certified Management Accountant (CPA, CMA).

All members have an understanding of the accounting principles used by the Company to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

#### **Item 4: Audit Committee Oversight**

At no time since the commencement of the Company's financial year ended December 31, 2022 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

#### **Item 5: Reliance on Certain Exemptions**

At no time since the commencement of the Company's financial year ended December 31, 2022 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 of National Instrument 52-110.

#### **Item 6: Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman of the Audit Committee will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration and, if thought fit, approval in writing.

#### **Item 7: External Auditor Service Fees (By Category)**

The following table sets out the aggregate fees charged to the Company by the external auditor in each of the last two financial years for the category of fees described.

	FYE 2022	FYE 2021
Audit Fees <sup>(1)</sup>	\$45,549	\$42,512
Audit-Related Fees <sup>(2)</sup>	Nil	Nil

	FYE 2022	FYE 2021
<b>Tax Fees</b> <sup>(3)</sup>	\$6,900	\$3,400
<b>All Other Fees</b> <sup>(4)</sup>	Nil	Nil
<b>Total Fees:</b>	<b>\$52,449</b>	<b>\$48,912</b>

**Notes:**

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two Fiscal Years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two Fiscal Years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two Fiscal Years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (3) "All other fees" include the aggregate fees billed in each of the last two Fiscal Years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

**Item 8: Exemption**

During the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 5 (*Reporting Obligations*).

**Schedule "A"**  
**Audit Committee Charter**

See attached.

## **PREMIUM NICKEL RESOURCES LTD.**

**(“PNRL” OR THE “COMPANY”)**

### **CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

#### **I. Purpose**

The Audit and Risk Management Committee of PNRL is a committee of directors (the “Audit Committee”) appointed by the Board of Directors of PNRL (the “Board”). The Audit Committee’s mandate is to provide assistance to the Board in fulfilling its financial reporting and control responsibility to the shareholders and the investment community. The Audit Committee is, however, independent of the Board and the Company and in carrying out their role shall have the ability to determine its own agenda and any additional activities that the Audit Committee shall carry out.

#### **II. Composition**

The Audit Committee will be comprised of at least three directors of the Company, all of whom, will be independent and financially literate. An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of MI 52-110. A “financially literate” director is a director who has the ability to read and understand a set of financial instruments 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 financial statements of the Corporation.

#### **III. Responsibilities**

Responsibilities of the Audit Committee generally include, but are not limited to, the undertaking of the following tasks:

- Selecting and determining the compensation of the external auditors, subject to approval of the shareholders of the Corporation, to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation. In making such determination and recommendation to the Board and to the shareholders, the Audit Committee will:

- confirm the independence of the auditors and report to the Board its conclusions on the independence of the auditors and the basis for these conclusions;
  - meet with the auditors and financial management to review the scope of the proposed audit for the current year, and the audit procedures to be used; and
  - obtain from the external auditors' confirmation that they are participants in good standing in the Canadian Public Accountability Board oversight program and, if applicable, in compliance with the provisions of the Sarbanes-Oxley Act of 2002 (U.S.) and other legal or regulatory requirements with respect to the audit of the financial statements of the Company.
- Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. In overseeing such work, the Audit Committee will:
  - review with the external auditors any audit problems or difficulties and management's response;
  - at least annually obtain and review a report prepared by the external auditors describing (i) the auditors' internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, and reviewing any steps taken to deal with such issues;
  - serve as an independent and objective party to monitor the Company's financial reporting process and internal control system and overseeing management's reporting on internal control;
  - provide open lines of communication among the external auditors, financial and senior management, and the Board for financial reporting and control matters;
  - make inquires of management and the external auditors to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risks to the Company;
  - establish procedures to ensure that the Audit Committee meets with the external auditors on a regular basis in the absence of management;
  - ensure that the external auditors prepare and deliver annually a detailed report covering (i) critical accounting policies and practices to be

used; (ii) material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; (iii) other material written communications between the external auditors and management such as any management letter or schedule of unadjusted differences; and (iv) such other aspects as may be required by the Audit Committee or legal or regulatory requirements;

- consider any reports or communications (and management's responses thereto) submitted to the Audit Committee by the external auditors, including reports and communications related to:
  - deficiencies noted following the audit of the design and operation of internal controls;
  - consideration of fraud in the audit of the financial statement;
  - detection of illegal acts;
  - the external auditors' responsibility under generally accepted auditing standards;
  - significant accounting policies;
  - management judgements and accounting estimates;
  - adjustments arising from the audit;
  - the responsibility of the external auditors for other information in documents containing audited financial statements;
  - disagreements with management;
  - consultation by management with other accountants;
  - major issues discussed with management prior to retention of the external auditors;
  - difficulties encountered with management in performing the audit;
  - the external auditors' judgements about the quality of the entity's accounting principles; and
  - any reviews of unaudited interim financial information conducted by the external auditors;
- review the form of opinion the external auditors propose to render to the Audit Committee, the Board and shareholders; and

- discuss significant changes to the Company's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the external auditors or management, and the financial impact thereof.
- Pre-approving all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor, subject to any exemptions set out in MI 52-110. Notwithstanding the pre-approval process, the Audit Committee will ensure that the external auditors are prohibited from providing the following non-audit services and will determine which other non-audit services the external auditors are prohibited from providing:
  - bookkeeping or other services related to the accounting records or financial statements of the Company;
  - financial information systems design and implementation;
  - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
  - actuarial services;
  - internal audit outsourcing services;
  - management functions or human resources;
  - broker, dealer, investment adviser or investment banking services;
  - legal services; and
  - any other service that the Audit Committee determines to be impermissible.
- Ensuring that the external auditors submit annually to the Company and the Audit Committee, a formal written statement of the fees billed for each of the following categories of services rendered by the external auditors: (i) the audit of the Company's annual financial statements for the most recent fiscal year and, if applicable, the reviews of the financial statements included in the Company's Quarterly Reports for that fiscal year; and (ii) all other services rendered by the external auditors for the most recent fiscal year, in the aggregate and by each service.
- Reviewing the Company's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases before the Company publicly discloses the information. In connection with such review, the Audit Committee will ensure that:

- (a) management has reviewed the financial statements with the Audit Committee, including significant judgments affecting the financial statements;
  - (b) the members of the Audit Committee have discussed among themselves, without management or the external auditors present, the information disclosed to the Audit Committee; and
  - (c) the Audit Committee has received the assurance of both financial management and the external auditors that the Company's financial statements are fairly presented in conformity with International Financial Reporting Standards ("IFRS") and Canadian GAAP in all material respects.
- Ensuring 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 above, and periodically assessing the adequacy of those procedures.
  - Reviewing, evaluating and monitoring any risk management program implemented by the Company, including any revenue protection program. This function should include:
    - risk assessment;
    - quantification of exposure;
    - risk mitigation measures; and
    - risk reporting.
- Periodically access and review the effectiveness of the Company's procedures for the identification, assessment, reporting and management of risks including the areas of crisis management, capital expenditure, taxation strategy, funding, commodity and foreign exchange and interest rate exposure, insurance coverage, fraud and information systems technology.
  - Reviewing the adequacy of the resources of the finance and accounting group, along with its development and succession plans.
  - Establishing procedures for:
    - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

- Reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
- Annually reviewing and revising this Charter as necessary with the approval of the Board and the text relating to this Charter, which is required to appear in the Annual Information Form of the Company, as more specifically set out in Form 52-110FI *Audit Committee Information Required in an AIF*.
- Reviewing and assessing the adequacy of the Code of Business Conduct and Ethics governing the officers, directors and employees of the Corporation and the Code of Ethics governing Financial Reporting Officers at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board.
- Reporting its activities to the Board on a regular basis and making such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate.
- Reviewing and discussing with management, and approving all related party transactions.

#### **IV. Authority**

The Audit Committee has the authority to:

- Engage independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;
- Set and pay the compensation for any advisors employed by the Audit Committee, in accordance with applicable corporate statutes; and
- Communicate directly with the external auditors.

#### **V. Administrative Procedures**

- The Audit Committee will meet regularly and whenever necessary to perform the duties described above in a timely manner, but not less than four times a year. Meetings may be held at any time deemed appropriate by the Audit Committee and by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

- A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.
- Meetings of the Audit Committee shall be held from time to time as the Audit Committee or the Chairman shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Audit Committee.
- At the discretion of the Audit Committee, meetings may be held with representatives of the external auditors and appropriate members of management.
- The external auditors will have direct access to the Audit Committee at their own initiative.
- The Chairman of the Audit Committee will report periodically to the Board.

Approved by the Board of Directors of PNRL on August 9, 2022.

**APPENDIX "E"**

**CHANGE IN AUDITOR – REPORTING PACKAGE**

See attached.



December 15, 2022

British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Ontario Securities Commission

**Re: Premium Nickel Resources Ltd. (the "Corporation") – Change of Auditor**

In accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*, please find enclosed herewith the Reporting Package comprised of the following documents:

1. Notice of Change of Auditor dated December 5, 2022 from the Corporation, a copy of which is annexed as Schedule "A" hereto (the "**Notice**");
2. Letter from the successor auditor, MNP LLP, dated December 5, 2022, a copy of which is annexed as Schedule "B" hereto (the "**Successor Auditor Letter**");
3. Letter from the predecessor auditor, Dale Matheson Carr-Hilton LaBonte LLP, dated December 14, 2022, a copy of which is annexed as Schedule "C" hereto (the "**Predecessor Auditor Letter**"); and
4. Confirmation from the Audit Committee of the board of directors of the Corporation, that the Audit Committee has reviewed the Notice, the Successor Auditor Letter and the Predecessor Auditor Letter, a copy of which is annexed as Schedule "D" hereto.

Yours truly,

*(signed) "Sarah Zhu"*

Sarah Zhu  
Chief Financial Officer

**SCHEDULE "A"**

**NOTICE OF CHANGE OF AUDITOR**

See attached.

**PREMIUM NICKEL RESOURCES LTD.**

**NOTICE OF CHANGE OF AUDITOR  
(National Instrument 51-102)**

**TO: Dale Matheson Carr-Hilton Labonte LLP**

**AND TO: MNP LLP**

**AND TO: The securities regulatory authorities in the provinces of Alberta, British Columbia, Manitoba and Ontario**

**RE: Notice Regarding Change of Auditor Pursuant to Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")**

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Notice is hereby given of a change of the auditor of Premium Nickel Resources Ltd. (the "**Corporation**") pursuant to section 4.11 of NI 51-102.

- (a) Dale Matheson Carr-Hilton Labonte LLP, the former auditor of the Corporation, has notified the Corporation of its resignation effective August 31, 2022, which resignation was triggered by the requirements of the Canadian Public Accountability Board.
- (b) MNP LLP has been appointed as successor auditor of the Corporation, effective December 5, 2022, to hold office until the next annual meeting of shareholders of the Corporation.
- (c) The resignation of Dale Matheson Carr-Hilton Labonte LLP and the determination to appoint MNP LLP as auditor of the Corporation was considered and approved by both the audit committee and board of directors of the Corporation.
- (d) Dale Matheson Carr-Hilton Labonte LLP did not express a modified opinion in any of its reports for the audits of the two most recently completed fiscal years of the Corporation.
- (e) No "reportable events" (as defined in section 4.11(1) of NI 51-102) have occurred.

DATED this 5<sup>th</sup> day of December, 2022.

**PREMIUM NICKEL RESOURCES LTD.**

By: (signed) "Sarah Zhu"  
Name: Sarah Zhu  
Title: Chief Financial Officer

**SCHEDULE "B"**  
**SUCCESSOR AUDITOR LETTER**

See attached.

December 5, 2022

Ontario Securities Commission  
The Manitoba Securities Commission  
Alberta Securities Commission  
British Columbia Securities Commission

Dear Sirs/Mesdames:

**Re: Premium Nickel Resources Ltd. — Change of Auditor**

Pursuant to National Instrument 51-102 — *Continuous Disclosure Obligations*, we have reviewed the information contained in the Notice of Change of Auditor of Premium Nickel Resources Ltd. dated December 5, 2022 (the "**Notice**") and, based on our knowledge of such information at this time we agree with the statements made in the Notice pertaining to our firm. We advise that we have no basis to agree or disagree with the comments in the Notice relating to Dale Matheson Carr-Hilton Labonte LLP:

Yours very truly,

*MNP LLP*

Chartered Professional Accountants  
Ottawa , Ontario

**SCHEDULE "C"**

**PREDECESSOR AUDITOR LETTER**

See attached.



**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

December 14, 2022

**British Columbia Securities Commission**  
P.O. Box 10142, Pacific Centre  
9<sup>TH</sup> Floor – 701 West Georgia Street  
Vancouver, B.C. V7Y 1L2

**Alberta Securities Commission**  
Suite 600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 0R4

**The Manitoba Securities Commission**  
Suite 500 – 400 St. Mary Avenue  
Winnipeg, MB R3C 4K5

**Ontario Securities Commission**  
20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8

Dear Sirs:

**Re: Premium Nickel Resources Ltd. (the “Company”)**  
**Notice Pursuant to National Instrument 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our resignation as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated December 5, 2022 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

A handwritten signature in black ink that reads 'DMCL'.

**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**SCHEDULE "D"**

**AUDIT COMMITTEE CONFIRMATION**

See attached.



December 15, 2022

British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Ontario Securities Commission

**Re: Premium Nickel Resources Ltd. (the "Corporation") – Change of Auditor**

I, John Hick, Chair of the audit committee of the board of directors of the Corporation (the "**Audit Committee**"), hereby confirm, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*, that on December 15, 2022 the Audit Committee reviewed the Notice of Change of Auditor dated December 5, 2022, the reply letter from MNP LLP dated December 5, 2022, and the reply letter from Dale Matheson Carr-Hilton LaBonte LLP dated December 14, 2022.

Yours truly,

*(signed) "John Hick"*

John Hick  
Chair, Audit Committee

**APPENDIX "F"**  
**AMENDED OPTION PLAN**

See attached.

## PREMIUM NICKEL RESOURCES LTD.

### AMENDED STOCK OPTION PLAN

#### 1. PURPOSE OF THE PLAN

The Company hereby establishes this amended stock option plan for directors, senior officers, Employees, Consultants, Management Company Employees or Eligible Charitable Organizations (as such terms are defined below) of the Company and its subsidiaries (collectively, "**Eligible Persons**"), to be known as the "Amended Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

#### 2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Associate**" means an "**Associate**" as defined in the TSXV Policies.
- 2.2 "**Blackout Period**" has the meaning given to that term in Section 4.5(a) hereof.
- 2.3 "**Board**" means the Board of Directors of the Company.
- 2.4 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.
- 2.5 "**Company**" means Premium Nickel Resources Ltd. and its successors.
- 2.6 "**Consultant**" means a "**Consultant**" as defined in the TSXV Policies.
- 2.7 "**Consultant Company**" means a "**Consultant Company**" as defined in the TSXV Policies.
- 2.8 "**Corporate Reorganization**" has the meaning given to that term in Section 5.3 hereof.
- 2.9 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - (b) acting as a director or officer of the Company or its subsidiaries.

- 2.10 "Discounted Market Price"** of Shares means, if the Shares are listed only on the TSX Venture Exchange, the Market Price less the maximum discount permitted under TSXV Policies applicable to Options.
- 2.11 "Eligible Charitable Organization"** means an **"Eligible Charitable Organization"** as defined in the TSXV Policies.
- 2.12 "Eligible Persons"** has the meaning given to that term in Section 1 hereof.
- 2.13 "Employee"** means an **"Employee"** as defined in the TSXV Policies.
- 2.14 "Exchanges"** means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.15 "Expiry Date"** means the date set by the Board under Section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.16 "Extension Period"** has the meaning given to that term in Section 4.5(b) hereof.
- 2.17 "Grant Date"** means the date specified in the Option Agreement as the date on which an Option is granted.
- 2.18 "Insider"** means an **"Insider"** as defined in the TSXV Policies.
- 2.19 "Investor Relations Service Providers"** means **"Investor Relations Service Providers"** as defined in the TSXV Policies.
- 2.20 "Issued Shares"** means **"Issued Shares"** as defined in the TSXV Policies.
- 2.21 "Joint Actor"** means a person acting "jointly or in concert with" another person as that phrase is interpreted in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.
- 2.22 "Management Company Employee"** means a **"Management Company Employee"** as defined in the TSXV Policies.
- 2.23 "Market Price"** of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.24 "Offer"** has the meaning given to that term in Section 4.6 hereof.
- 2.25 "Option"** means an option to purchase Shares granted pursuant to this Plan.
- 2.26 "Option Agreement"** means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.27 "Optionee"** means each of Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.

- 2.28 **"Option Price"** means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of Section 5 hereof.
- 2.29 **"Option Shares"** means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.30 **"Plan"** means this Amended Stock Option Plan.
- 2.31 **"Share Reorganization"** has the meaning given to that term in Section 5.1 hereof.
- 2.32 **"Shares"** means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to Section 5 hereof, **"Shares"** shall thereafter mean the shares or other securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment.
- 2.33 **"Securities Act"** means the *Securities Act* (Ontario), R.S.O. 1990, c. S.5, as amended, as at the date hereof.
- 2.34 **"Special Distribution"** has the meaning given to that term in Section 5.2 hereof.
- 2.35 **"TSXV Policies"** means the Corporate Finance Manual of the TSX Venture Exchange and bulletins, regulations and guidance promulgated thereunder.
- 2.36 **"Unissued Option Shares"** means the number of Shares which have, at a particular time, been reserved for issuance upon the exercise of an Option, but which have not been issued, as adjusted from time to time in accordance with the provisions of Section 5 hereof, such adjustments to be cumulative.
- 2.37 **"Vested"** means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.
- 2.38 **"VWAP"** means the volume weighted average trading price of the Shares on the Exchanges calculated by dividing the total value by the total volume of the Shares traded for the five trading days immediately preceding the exercise of the subject Option, or if the Shares are not listed on any stock exchange, "VWAP" of Shares means the VWAP on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the five days immediately preceding the exercise of the subject Option.

### 3. GRANT OF OPTIONS

#### 3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons of the Company and its subsidiaries. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee.

### 3.2 Limits on Shares Issuable on Exercise of Options

- (a) The maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be 27,100,000 Shares and, for greater certainty, shall not exceed 20% of the Issued Shares as at the date of implementation of the Plan by the Company.
- (b) The maximum number of Shares reserved for issuance under the Plan and all other "Security Based Compensation" (as defined in Policy 4.4 of the TSXV Policies) arrangements of the Company:
  - (i) in aggregate shall not exceed 27,100,000 Shares and, for greater certainty, shall not exceed 20% of the Issued Shares as at the date of implementation of the Plan by the Company; and
  - (ii) to all Insiders as a group shall not exceed 10% of the Issued Shares at any point in time (unless otherwise approved by the disinterested shareholders of the Company).
- (c) The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:
  - (i) to all Insiders as a group shall not exceed 10% of the Issued Shares on the Grant Date (unless otherwise approved by the disinterested shareholders of the Company);
  - (ii) to any one Optionee, shall not exceed 5% of the Issued Shares on the Grant Date (unless otherwise approved by the disinterested shareholders of the Company);
  - (iii) to any one Consultant shall not exceed 2% of the Issued Shares of the Company on the Grant Date; and
  - (iv) to all Investor Relations Service Providers in the aggregate shall not exceed 2% of the Issued Shares of the Company, which Options are to be vested in stages over at least a one-year period such that:
    - (A) no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
    - (B) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
    - (C) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
    - (D) the remainder of the Options vest no sooner than 12 months after the Grant Date.
  - (v) to all Eligible Charitable Organizations in the aggregate shall not exceed 1% of the Issued Shares of the Company on the Grant Date, which Options shall expire on or before the earlier of:

- (A) the date that is ten years from the Grant Date of the Option; and
- (B) the 90th day following the date that the holder of the Options ceases to be an Eligible Charitable Organization.

### **3.3 Option Agreements**

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, Consultants, Consultant Company or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a *bona fide* Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## **4. EXERCISE OF OPTION**

### **4.1 When Options May be Exercised**

Subject to Section 4.3 and Section 4.4 hereof, an Option shall be granted as fully Vested on the Grant Date, and may be exercised to purchase any number of Shares up to the number of Unissued Option Shares at any time after the Grant Date, provided that this Plan has been previously approved by the shareholders of the Company, where such prior approval is required by TSXV Policies, up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

### **4.2 Manner of Exercise**

The Board, in its sole discretion, may permit the exercise of an Option through any of the following methods:

#### **(a) *Payment***

Options may be exercisable by delivering to the Company a notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the Option Price shall constitute payment of the Option Price, unless in the case of a cheque, such cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

#### **(b) *Cashless Exercise***

A cashless exercise mechanism whereby the Company has an arrangement with a brokerage firm pursuant to which:

- (i) the brokerage firm agrees to loan money to a Optionee to purchase the Option Shares underlying the Options to be exercise by the Optionee;

- (ii) the brokerage firm receives such number of Option Shares to sell, at the direction of and on behalf of the Optionee, the aggregate proceeds of which are sufficient to cover the Option Price of the Options in order to permit the Optionee to repay the loan made to the Optionee; and
- (iii) the Optionee receives the balance of the Option Shares pursuant to such exercise, or cash proceeds from the sale of the balance of the Option Shares.

(c) ***Net Exercise***

A net exercise mechanism, whereby Options, except Options granted to an Investor Relations Service Provider, are exercised without the Optionee making any cash payment so the Company does not receive any cash from the exercise of such Options and the Optionee receives only the number of Option Shares that is equal to the quotient obtained by dividing: (A) the product of the number of Options being exercised and the difference between the VWAP of the underlying Shares and the Option Price of the subject Options; by (B) the VWAP of the underlying Shares.

**4.3 Vesting of Option Shares**

An Option shall be granted hereunder as fully Vested, unless a vesting schedule is imposed by the Board as a condition of the grant on the Grant Date; and provided that if the Option is being granted to an Investor Relations Service Provider, then the Option must vest in stages as set out in Section 3.2(iv) hereof.

**4.4 Termination of Employment**

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) ***Death or Disability***

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Vested Options then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date.

(b) ***Termination For Cause***

If the Optionee, or in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination shall be cancelled as of that date.

(c) ***Early Retirement, Voluntary Resignation or Termination Other than For Cause***

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Vested Options then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (or such longer period, not exceeding 12 months, as may be specified by resolution of the Board) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

**4.5 Blackout Extension**

- (a) The Company may from time to time impose trading blackouts during which directors, officers, employees or consultants may not trade in the securities of the Company (a "**Blackout Period**"). If a Blackout Period is imposed, subject to the terms of the blackout and the Company's blackout policy, a holder of an Option may not exercise Options until expiry of the Blackout Period.
- (b) As a result of the foregoing limitation, and notwithstanding any other provision of the Plan, the term of any Option that would otherwise expire during a Blackout Period will be extended by ten (10) trading days following the expiry of such Blackout Period (the "**Extension Period**"), provided that the following requirements are satisfied:
- (i) the Blackout Period must be formally imposed by the Company pursuant to its internal trading policies. For greater certainty, in the absence of the Company formally imposing a Blackout Period, the expiry date of any Options will not be automatically extended in any circumstances;
  - (ii) the Blackout Period must expire upon the general disclosure of the undisclosed material information; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Extension Period to enable the exercise of such Option within 10 trading days following the end of the last imposed Blackout Period; and
  - (iii) the automatic extension of a holder's Options will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

**4.6 Effect of a Take-Over Bid**

If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of Subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon the Option Shares subject to such Option may be exercised in whole or in part

by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer.

#### **4.7 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, are Vested (subject to the proviso below), and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer, provided that where an Option was granted to an Investor Relations Service Provider, the Board declaration that Option Shares issuable upon the exercise of such Options granted under the Plan be Vested with respect to such Option Shares, is subject to prior approval of the Exchanges. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this Section, except that not less than 5 business days and not more than 35 days' notice is required.

#### **4.8 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option shall become Vested and may be exercised in whole or in part by the Optionee immediately prior to such Change of Control.

#### **4.9 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, by the cancellation of the right to purchase Option Shares under the Option Agreement shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

#### **4.10 Shares Not Acquired, Cancelled or Terminated**

Any Unissued Option Shares not acquired by an Optionee under an Option for reason that it is cancelled, terminated, surrendered, forfeited or expired without being exercised may be made the subject of a further Option granted pursuant to the provisions of the Plan. For greater certainty, any Option Shares acquired by an Optionee under an Option shall not continue to be issuable under the Plan.

### **5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES**

#### **5.1 Share Reorganization**

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the

record date for such dividend or other distribution or at the effective time of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
  - (i) the Option Price in effect immediately before that effective date or record date; and
  - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subparagraph (a)(ii).

## 5.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), the Board shall make such adjustments to the Plan and to the Options then outstanding under the Plan as the Board determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Optionee shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation, a reduction of the Option Price or an increase in the number of Unissued Option Shares.

## 5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in Section 5.1 or Section 5.2 hereof;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or

- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation,

(any such event being herein called a "**Corporate Reorganization**") the Board shall make such adjustments to the Plan and to the Options then outstanding under the Plan as the Board determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Optionee shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation, the substitution or replacement of similar options to purchase other shares in the Company (or in the case of an event described in (b) above, shares in the corporation resulting from such event).

#### **5.4 Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Toronto, Ontario, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

#### **5.5 Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of Section 5.1, Section 5.2 or Section 5.3 is subject to the approval of the Exchanges where required pursuant to their policies, and compliance with the applicable securities rules or regulations of any other governmental authority having jurisdiction.

### **6. MISCELLANEOUS**

#### **6.1 Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

#### **6.2 Necessary Approvals**

The Plan shall be effective immediately upon the approval of the Board, where the Company is a non-reporting issuer. If the Company is a reporting issuer whose Shares are listed on any Exchanges, then the Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution, where such prior approval is required by the policies of the Exchanges. Any Options granted under this Plan before such prior approval shall only be exercised upon the receipt of such approval, where it is required by the policies of the Exchanges. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price or an extension of the term of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to compliance with the policies of the Exchanges and applicable securities rules or regulations of any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee

for any reason, including, without limitation, the failure to comply with such policies, rules or regulations, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

### **6.3 Administration of the Plan**

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in Section 5.4 hereof, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

### **6.4 Income Taxes**

Notwithstanding any other provision of this Plan, the Company or any affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company or any affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Option Share or other benefit under the Plan. In such circumstances, the Company or any affiliate may require that the Optionee pay to the Company or any affiliate, such amount as the Company or any affiliate reasonably determines it is obliged to remit to the relevant tax authorities in connection with any Option or Option Share or other benefit under the Plan. Alternatively, the Company or any affiliate shall have the right, in its discretion, to satisfy any such liability by the withholding of all or any portion of any payment to be made to the Optionee (under this Plan or otherwise), and as a condition of and prior to participation of the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan. Neither the Company nor any of its affiliates shall be held responsible for any tax consequences to an Optionee as a result of the Optionee's participation in the Plan.

### **6.5 Amendments to the Plan**

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders.

### **6.6 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

### **6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

**6.8 Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchanges having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**6.9 No Assignment**

No Optionee may assign any of his or her rights under the Plan or any Option granted thereunder.

**6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

**6.11 Conflict**

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

**6.12 Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the Province of Ontario.

**6.13 Time of Essence**

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

**6.14 Entire Agreement**

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**SCHEDULE "A"**  
**PREMIUM NICKEL RESOURCES LTD.**  
**AMENDED STOCK OPTION PLAN**

**OPTION AGREEMENT**

**[Note: If the Option Price is less than the Market Price at the time of the grant then insert the following legend:] Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●, 20● [four months and one day after the date of grant].**

This Option Agreement is entered into between Premium Nickel Resources Ltd. ("**Company**") and the Optionee named below pursuant to the Company Stock Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. On ●, 20● (the "**Grant Date**");
2. ● (the "**Optionee**");
3. was granted the option (the "**Option**") to purchase ● common shares (the "**Option Shares**") of the Company;
4. for the price (the "**Option Price**") of \$● per share;
5. which shall be exercisable as fully Vested from the Grant Date, unless the granting of this Option is to a Investor Relations Service Provider, in which case the Option will be vested over a 12 month period from the date of grant in accordance with TSXV Policies;
6. terminating on the ●, 20● (the "**Expiry Date**");
7. by signing this Option Agreement, the Optionee acknowledges and consents to:
  - (a) the disclosure of Personal Information by the Company to the TSX Venture Exchange (the "**Exchange**") (as defined in Exchange Appendix 6A – see Appendix "1" hereto) pursuant to the Exchange Form 4G which the Company is required to file in connection with this Option grant; and
  - (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6A or as otherwise identified by the Exchange, from time to time;

(Where "Personal Information" means any information about the Optionee, and includes the information contained in the tables, as applicable, found in Exchange Form 4G), all on the terms and subject to the conditions set out in the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ● day of ●, 20●.

**PREMIUM NICKEL RESOURCES LTD.**

\_\_\_\_\_  
OPTIONEE

Per:

\_\_\_\_\_  
Authorized Signatory

## APPENDIX "1"



### APPENDIX 6A ACKNOWLEDGEMENT – PERSONAL INFORMATION

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSX Venture Exchange (collectively referred to as "the Exchange") collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the Exchange collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange.

The Exchange may from time to time use third parties to process information and/or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers.

**APPENDIX "G"**

**DSU PLAN**

See attached.



**PREMIUM NICKEL RESOURCES LTD.**

**DEFERRED SHARE UNIT PLAN  
for the Non-Executive Directors of Premium Nickel Resources Ltd.**

**Adopted as of December 26, 2022**

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**PREMIUM NICKEL RESOURCES LTD.**

**DIRECTORS' DEFERRED SHARE UNIT PLAN**

**ARTICLE 1  
PREAMBLE AND DEFINITIONS**

**1.1 Title.**

The Plan herein described shall be called the "**Directors' Deferred Share Unit Plan**", and is referred to herein as the "**Plan**".

**1.2 Purpose of the Plan.**

The purpose of the Plan is to advance the interests of the Company and its subsidiaries by: (i) increasing the proprietary interests of the non-executive Directors in the Company; (ii) aligning the interests of the non-executive Directors with the interests of the shareholders of the Company generally; and (iii) furnishing non-executive Directors with an additional incentive in their efforts on behalf of the Company. For greater certainty, no Investor Relations Service Providers (as defined within the policy of the TSXV) may receive any deferred share units under the Plan.

**1.3 Definitions.**

"**Annual Board Retainer**" means the annual cash retainer payable by the Company to a Director for service on the Board during a particular calendar year, but, for greater certainty, excludes other retainers and fees (including, without limitation, any Annual Chair Retainer, any Annual Committee Retainer, and any Meeting Fee).

"**Annual Chair Retainer**" means the annual cash retainer payable by the Company to a Director for acting as the chair of the Board, or as Lead Director, or as chair of a committee of the Board, during a particular calendar year, but, for greater certainty, excludes other retainers and fees (including, without limitation, the Annual Board Retainer, the Annual Committee Retainer and any Meeting Fee).

"**Annual Committee Retainer**" means the annual cash retainer payable by the Company to a Director for acting as a member of a committee of the Board during a particular calendar year, but, for greater certainty, excludes other retainers and fees (including, without limitation, the Annual Board Retainer, the Annual Chair Retainer and any Meeting Fee).

"**Blackout Period**" means any blackout period imposed by the Company or otherwise applicable to a Member, during which specified individuals, including Insiders of the Company, may not trade in the securities of the Company (including, for greater certainty, any period during which specific individuals are restricted from trading because they possess material non-public information).

"**Board**" means the board of directors of the Company.

"**Calendar Year Stub Period**" has the meaning ascribed thereto in Section 5.2(b).

"**Code**" means the *U.S. Internal Revenue Code of 1986*, as amended and any applicable Treasury Regulations and other binding regulatory guidance thereunder.

"**Committee**" means the Human Resources and Compensation Committee of the Board.

"**Company**" means Premium Nickel Resources Ltd. and any successor corporation whether by amalgamation, merger or otherwise.

"**Crediting Date**" has the meaning ascribed thereto in Section 4.1.

"**Deferred Share Unit**" or "**DSU**" means a unit of participation in the Plan, credited by means of a bookkeeping entry to the Director's Deferred Share Unit Account, the notional value of which on any particular date shall be equal to the Market Price, and which entitles the holder thereof, in the manner and at the time specified in the Plan, to a payment (in cash or Shares, determined, subject to Section 5.3, at the Corporation's discretion) equal to the Market Price.

"**Deferred Share Unit Account**" has the meaning ascribed thereto in Section 4.7.

"**Director**" means a director of the Company other than a director who is, apart from his or her role as a director, a full-time employee of the Company.

"**Dual Participant**" has the meaning ascribed thereto in Section 5.4.

"**Election Notice**" has the meaning ascribed thereto in Section 4.4.

"**Insider**" means an "insider" as defined in the Corporate Finance Manual of the TSXV, as amended from time to time.

"**Lead Director**" means the Director, if any, from time to time designated by the Board as the Lead Director of the Company.

"**Market Price**" at any date in respect of a Share means the volume weighted average price of a Share on the TSXV for the last five Trading Days immediately preceding such date (or, if the Shares are not then listed and posted for trading on the TSXV, on such other stock exchange on which the Shares are then listed and posted for trading as may be selected for such purpose by the Board). Volume weighted average price shall be determined by dividing the total value of all Shares sold by the total number of Shares sold, in each case, for the applicable five Trading Days on the TSXV (or such other applicable stock exchange). In the event that the Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion, acting in good faith and taking into account, if considered advisable by the Board, the advice from the Committee (or such other similar committee of the Board as may be constituted from time to time) and the advice of a qualified financial advisor selected by the Board and, "fair market value" means the highest price, expressed in dollars, that a Share would bring in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed, and prudent, and who are acting independently of each other.

"**Meeting Fee**" means the cash amount, if any, payable by the Company to a Director for attendance at a meeting of the Board or a committee of the Board.

"**Member**" means a Director who becomes a participant in the Plan in accordance with Article 3.

"**Member's Termination Date**" has the meaning ascribed thereto in Section 5.1.

"**Person**" shall mean, unless the context otherwise requires or unless and to the extent otherwise limited or required by applicable law or rules of a stock exchange, any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.

**"Quarterly DSU Entitlement"** means the amount that a Director is entitled to receive in DSUs for services to the Board for each calendar quarter in accordance with Section 4.3, which amount, for greater certainty shall be: (i) in respect of any calendar quarter in 2023 (a) in the case of any Director other than the Lead Director, \$42,500, and (b) in the case of the Lead Director, \$60,625, and (ii) in respect of a calendar quarter in any subsequent calendar year: (a) in the case of any Director other than the Lead Director, \$21,250; and (b) in the case of the Lead Director, \$31,675, or, in any such case such other amount, expressed in dollars, as may from time to time and in advance of the particular quarter be determined by resolution of the Board.

**"Security-Based Compensation Arrangements"** means, together, the Plan and the stock option plan of the Company, and any other equity-based compensation plan in effect from time to time.

**"Separation From Service"** means the death or retirement of the Member (not including a leave of absence of six (6) months or less or where the Member has a right to reemployment by the Company) as determined in accordance with Section 409A of the Code.

**"Shares"** means the common shares of the Company and such other shares as may be substituted therefore as a result of amendments to the articles of the Company, a reorganization of the Company or otherwise.

**"Shareholder Approval"** means the requisite approval required by the Corporate Finance Manual of the TSXV to implement the Plan and settle any Deferred Share Units issued under the Plan in Shares.

**"Six-Month Date"** has the meaning ascribed thereto in Section 5.2.

**"Specified Employee"** means a "specified employee" as defined under Section 409A of the Code.

**"Tax Act"** means the *Income Tax Act* (Canada) and the regulations thereto, as amended from time to time.

**"Trading Day"** means any date on which the TSXV is open for the trading of the Shares.

**"TSXV"** means the TSX Venture Exchange.

**"United States"** means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

**"U.S. Member"** means a Member who is a U.S. taxpayer subject to Section 409A of the Code.

**"U.S. Member's Termination Date"** has the meaning ascribed thereto in Section 5.2.

**"U.S. Securities Act"** means the United States Securities Act of 1933, as amended.

#### **1.4 Schedules.**

Schedule "A" – Election Notice

Schedule "B" – Redemption Notice For Directors Who Are *Not* U.S. Members Under The Plan

Schedule "C" – Redemption Notice for Directors Who Are U.S. Members Under The Plan

## **ARTICLE 2 INTERPRETATION**

### **2.1 Governing Law.**

The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

### **2.2 Severability.**

If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.

### **2.3 References.**

Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein. In the Plan, references to the singular shall include the plural and *vice versa*, as the context shall require.

### **2.4 Currency.**

All dollar amounts referred to herein are in Canadian dollars.

### **2.5 Context and Construction.**

Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or *vice versa* where the context so requires.

### **2.6 Discretion.**

Whenever the board has discretion to administer the Plan, the term "discretion" means the sole and absolute discretion of the Board.

## **ARTICLE 3 ELIGIBILITY**

### **3.1 Establishment.**

The Plan is effective as at December 26, 2022.

### **3.2 Automatic Participation for Directors.**

Each Director in office at the effective date of establishment of the Plan shall, without further formality, become a Member in the Plan. Each person who becomes a Director at any time subsequent to the effective date of establishment of the Plan shall thereupon, without further or other formality, become a Member of the Plan.

### **3.3 No Additional Rights.**

Nothing herein contained shall be deemed to give any person the right to be retained as a Director of the Company or as an employee of the Company.

**ARTICLE 4**  
**DEFERRED SHARE UNIT GRANTS AND ACCOUNTS**

**4.1 Share Limits.**

- (a) *Maximum Number of Shares.* The aggregate number of Shares reserved for issuance from treasury under the Plan shall not exceed five (5) million Shares, provided, however, the number of Shares reserved for issuance from the treasury under the Plan and pursuant to all other Security-Based Compensation Arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 20% of the number of Shares then issued and outstanding. Any Shares subject to a DSU which has been cancelled or terminated in accordance with the terms of the Plan without settlement will again be available under the Plan.
  
- (b) *Restrictions on Grants.* The grant of DSUs under the Plan is subject to a number of restrictions, including the following:
  - (i) the aggregate number of Shares issuable to Insiders (as a group) under the Plan and all other Security-Based Compensation Arrangements of the Corporation and its subsidiaries shall not, in the aggregate, exceed ten percent (10%) of the issued and outstanding Shares, calculated on a non-diluted basis as at the date any DSU is granted or issued (unless the Company has obtained the requisite disinterested approval of its shareholders pursuant to the Corporate Finance Manual of the TSXV);
  
  - (ii) within any twelve (12) month period, the Company shall not issue Insiders (as a group) under the Plan and all other Security-Based Compensation Arrangements of the Company and its subsidiaries, in the aggregate, a number of Shares exceeding ten percent (10%) of the issued and outstanding Shares, calculated on a non-diluted basis as at the date any DSU is granted or issued (unless the Company has obtained the requisite disinterested approval of its shareholders pursuant to the Corporate Finance Manual of the TSXV); and
  
  - (iii) within any twelve (12) month period, the Company shall not issue to any one Person (and companies wholly-owned by that Person) under this Plan and all other Security-Based Compensation Arrangements of the Corporation and its subsidiaries, in the aggregate, a number of Shares exceeding five percent (5%) of the issued and outstanding Shares, calculated on a non-diluted basis.

**4.2 Discretionary Grants**

The Board may, at any time and from time to time, grant Deferred Share Units to any Director in consideration of service as a Director for any period specified in the resolution authorizing such grant, other than *in lieu* of accrued and unpaid compensation amounts in respect of which such Director has, at the date of such grant, a legal entitlement to call for payment thereof.

**4.3 Quarterly Entitlement Grants.**

Commencing in the 2023 calendar year, on the last day of each of March, June, September and December in each year (each of which is referred to as a "**Crediting Date**"), the Deferred Share Unit Account of each person who was a Director of the Company at any time during the three (3) month period ending on the

relevant Crediting Date shall be credited, without further or other formality, with the respective number of Deferred Share Units as may be determined by dividing the respective Quarterly DSU Entitlement of such Director by the Market Price at the applicable Crediting Date in question, subject, if such person has been a Director of the Company or Lead Director of the Company for part only of the three (3) month period in question, to proration according to the number of days such person was a Director of the Company or Lead Director of the Company, as the case may be, during such three (3) month period.

#### **4.4 Election to Participate for Additional Amounts.**

In addition, each Director shall have, subject to the conditions stated herein, the right to elect, irrevocably and in advance, in accordance with this Section 4.4, to be credited with Deferred Share Units *in lieu* of all or any part of the Annual Board Retainer, all or any part of any Annual Chair Retainer, all or any part of any Annual Committee Retainer and all or any part of any Meeting Fee otherwise payable to such Director in cash for the particular calendar year. No such election shall be effective unless and until the Director in question shall have filed, while the Company is not in a Blackout Period, a notice of election in the form of Schedule "A" hereto (the "**Election Notice**") with the Company's Chief Financial Officer. An Election Notice must be filed on or before the last business day of the calendar year ending immediately before the calendar year to which the Annual Board Retainer, Annual Chair Retainer and/or Meeting Fees relate, except in the case of a newly elected or appointed Director, the Election Notice must be filed on or before thirty (30) days after the date the Director first became a Director, with such election to apply in respect of any portion of the applicable Annual Board Retainer, Annual Chair Retainer, Annual Committee Retainer, or Meeting Fee, as applicable, that is earned and payable after the date the relevant Election Notice is received by the Chief Financial Officer and in the calendar year during which such election or appointment is made. Effect of Election Notice.

A duly filed Election Notice shall be binding upon the Director who filed it, and upon the Company, and shall be irrevocable in respect of the calendar year in which it is originally made. Any such Election Notice will continue in effect thereafter for subsequent calendar years unless and until such Director has filed a subsequent Election Notice to terminate or change his or her election and such subsequent Election Notice has become effective for a subsequent calendar year in accordance with the Plan. If no election has been validly made in respect of a Director's Annual Board Retainer, Annual Chair Retainer, Annual Committee Retainer, or Meeting Fees, within the times specified in the Plan, the full amount shall be paid in cash in accordance with the Company's normal policies regarding Director compensation.

#### **4.5 Terminating or Changing Election for Additional Amounts.**

- (a) Each Member is entitled to terminate or change his or her election specified in any Election Notice filed with the Company, for any subsequent calendar year, by filing, while the Company is not in a Blackout Period, a subsequent Election Notice with the Chief Financial Officer of the Company. A duly filed subsequent Election Notice will become effective at the beginning of the calendar year following the calendar year in which the subsequent Election Notice is filed.
- (b) For greater certainty a Member who has duly filed a subsequent Election Notice to terminate an earlier election by the Member may thereafter again elect in accordance with Section 4.4.

#### **4.6 Additional Amount Grants.**

- (a) Each Member who has duly filed an Election Notice in accordance with Section 4.4 shall be credited with Deferred Share Units as hereinafter provided in respect of the Annual

Board Retainer, Annual Chair Retainer, Annual Committee Retainer or Meeting Fees, as applicable, quarterly in arrears on the relevant Crediting Date in question for such amount, while such Election Notice remains in effect.

- (b) Deferred Share Units credited to a Member in accordance with any provision of the Plan shall be recorded by the Company in the Member's Deferred Share Unit Account (as defined below) as soon as reasonably practicable thereafter.
- (c) The number of Deferred Share Units credited at any particular time with respect to any amount in respect of which a Member shall have elected pursuant to Section 4.4 will be calculated by dividing such amount by the Market Price on the relevant Crediting Date in question for such amount.

#### **4.7 Deferred Share Unit Account.**

An account, to be known as a "Deferred Share Unit Account" shall be maintained by the Company for each Member, in which shall be recorded all Deferred Share Units credited to a Member from time to time.

#### **4.8 Dividends.**

At all times prior to a Member's Termination Date, whenever cash dividends are paid on the Shares, additional Deferred Share Units will be credited to the Member's Deferred Share Unit Account. The number of such additional Deferred Share Units will be calculated by dividing (i) the dividends that would have been paid to such Member if the Deferred Share Units in the Member's Deferred Share Unit Account on the relevant dividend record date had been Shares, by (ii) the Market Price at the date of payment of such dividend, and fractional Deferred Share Units shall be rounded to the fourth decimal place.

#### **4.9 Adjustments.**

In the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other changes affecting the Shares, such proportionate adjustments shall be made with respect to the number of Deferred Share Units outstanding under the Plan to reflect such change or changes. All adjustments under this Section 4.9 be such that the Deferred Share Units shall at all times be exempt from the "salary deferral arrangement" rules in the Tax Act by virtue of the exception in paragraph (d) of Regulation 6801 of the Tax Act.

#### **4.10 No Other Benefit.**

For greater certainty, no amount will be paid to, or in respect of, a Member (or a person with whom the Member does not deal at arm's length within the meaning of the Tax Act), under the Plan or otherwise, either immediately or in the future, either absolutely or contingently, and no additional Deferred Share Units will be granted, for the purpose of reducing the impact, in whole or in part, of any reduction in the fair market value of the shares of the Company or a corporation related thereto, nor will any other form of benefit be conferred upon, or in respect of, a Member (or a person with whom the Member does not deal at arm's length within the meaning of the Tax Act) for such purpose.

The Company makes no representations or warranties to Members with respect to the Plan or the Deferred Share Units whatsoever. Members are expressly advised that the value of any Deferred Share Unit will fluctuate as the Market Price of Shares fluctuates. Members are further expressly advised that the amount of dividends that may be paid in respect of Shares, if any, will vary. In seeking the benefits of participation

in the Plan, a Member agrees to exclusively accept all risks associated with a decline in the market price of Shares and all other risks associated with the holding of Deferred Share Units.

#### **4.11 Vesting.**

Unless otherwise specified by the Board and/or included in any award agreement, Deferred Share Units credited to a Member's Deferred Share Unit Account in accordance with this Article 4 shall be fully vested on the relevant Crediting Date in question.

#### **4.12 Other Terms and Conditions.**

The Board may determine any other terms and conditions of Deferred Share Units not inconsistent with the Plan, but, at all times, all Deferred Share Units shall have such terms and conditions as are necessary to ensure that such Deferred Share Units are exempt from the "salary deferral arrangement" rules in the Tax Act by reason of the exception contained in paragraph (d) to Regulation 6801 of the Tax Act.

### **ARTICLE 5 REDEMPTION ON RETIREMENT OR DEATH**

#### **5.1 Redemption by a Member who is not a U.S. Member.**

Subject to Section 5.3(a), the value (determined in accordance with Section 5.3(a)) of the Deferred Share Units credited to the Deferred Share Unit Account of a Member shall, in the case of a Member who is not a U.S. Member, be redeemable by the Member (or, where such Member has died, his or her estate) at the Member's option (or after the Member's death, at the option of his/her legal representative) following the event, including death, causing the Member to no longer be a Director or an employee of the Company or a person related to the Company for the purposes of the Tax Act (the "**Member's Termination Date**"). All or any portion of the value of the Deferred Share Units may be redeemed by filing a written notice of redemption in the form of Schedule "B" hereto with the Chief Financial Officer of the Company, specifying the date of the redemption and number of Deferred Share Units to be redeemed. The Member (or after the Member's death, his/her legal representative) may provide a written notice of redemption in the form of Schedule "B" hereto no more than two times in any given calendar year and no more than four times in the aggregate. A redemption notice in respect of any particular Deferred Share Units shall be valid only if the redemption date specified therein is: (A) no earlier than the later of (i) the date immediately after the Member's Termination Date, (ii) June 30, 2023, and (iii) the date on which such notice is filed with the Chief Financial Officer of the Company; and (B) not later than December 15 of the first calendar year commencing after the Member's Termination Date. If no valid written notice of redemption is received by the Chief Financial Officer of the Company by December 1<sup>st</sup> of the first calendar year after the Member's Termination Date, or if there are Deferred Share Units standing to the account of a Member in the Member's Deferred Share Unit Account as at December 15 of the first calendar year after the Member's Termination Date, December 15 of the first calendar year after the Member's Termination Date will be deemed to be the redemption date for all of the Member's then remaining Deferred Share Units. For greater certainty, in no event shall the aggregate of the number of Deferred Share Units redeemed for any particular Member exceed the aggregate number of Deferred Share Units recorded in the Member's Deferred Share Unit Account on such Member's Termination Date.

#### **5.2 Redemption by a U.S. Member.**

- (a) Subject to Section 5.3(c), the value (determined in accordance with Section 5.3(c)) of the Deferred Share Units credited to a U.S. Member's Deferred Share Unit Account shall be redeemable by the Member (or, where such Member has died, his or her estate) at the

Member's option (or after the Member's death, at the option of his/her legal representative) following the event that constitutes a Separation From Service (the "**U.S. Member's Termination Date**"), provided that such date must meet the requirements set out in Section 5.1 and further provided that, if the Member is a Specified Employee and the Separation From Service is for a reason other than death, such date must be at least six (6) months following the U.S. Member's Termination Date, or if earlier, the date of the U.S. Member's death after Separation From Service (the "**Six-Month Date**"). Subject to Section 5.2(b), all or any portion of the value of the Deferred Share Units may be redeemed by filing a written notice of redemption in the form of Schedule "C" hereto with the Chief Financial Officer of the Company, specifying the date of the redemption and number of Deferred Share Units to be redeemed. The Member (or after the Member's death, his/her legal representative) may provide a written notice of redemption in the form of Schedule "B" hereto no more than two times. The redemption date specified in any notice of redemption must occur during the period commencing after the U.S. Member's Termination Date, or, in the case of a Specified Employee, the Six-Month Date (which, in either case, must be no earlier than June 30, 2023 and no earlier than the date on which such notice is filed with the Chief Financial Officer of the Company), and not later than December 15 of the calendar year that includes the U.S. Member's Termination Date or, if the Member is a Specified Employee, not later than December 15 of the calendar year that includes the Specified Employee's Six-Month Date. If no notice of redemption has been filed by December 15 of the calendar year that includes the U.S. Member's Termination Date, or in the case of a Specified Employee, December 15 of the year that includes the Six-Month Date, December 15 of such year will be deemed to be the redemption date for all of the Member's Deferred Share Units. If there are Deferred Share Units standing to the account of a U.S. Member in the U.S. Member's Deferred Share Unit Account as at December 15 of the calendar year that includes the U.S. Member's Termination Date, or in the case of a Specified Employee, December 15 of the year that includes the Six-Month Date, December 15 of such calendar year will be deemed to be the redemption date for all of the Member's then remaining Deferred Share Units.

- (b) Notwithstanding Section 5.2(a), in the event that a U.S. Member who is not a Specified Employee has a Separation From Service that occurs after December 15 and on or before December 31 of a calendar year, or the Six-Month Date of a Specified Employee occurs after December 15 and on or before December 31 of a calendar year (each, a "**Calendar Year Stub Period**"), the date of Separation From Service or the Six-Month Date, as applicable, will be deemed to be the redemption date for all of such Member's Deferred Share Units and the value (determined in accordance with the Plan) of the Deferred Share Units credited to a U.S. Member's Deferred Share Unit Account shall be redeemed immediately following the event that constitutes a Separation From Service.

### **5.3 Payment of Redeemed Amount.**

- (a) Any redemption of Deferred Share Units pursuant to Section 5.1 shall be settled as soon as practicable after the applicable redemption date determined in accordance with Section 5.1, provided that in any event such redemption date shall be no later than the last business day of the month of December of the year following the Member's Termination Date. Unless the Company validly elects in accordance with Section 5.3(b), the value of the Deferred Share Units redeemed in respect of a Member who is not a U.S. Member shall be paid to the Member (or if the Member has died, to his or her estate, as the case may be) on the settlement date in immediately available funds, less any income tax or other amounts required to be withheld by applicable law, and the amount of the cash payment to be paid

to the Member on the applicable redemption date, before such withholdings, shall be determined by multiplying the number of Deferred Share Units to be redeemed by the Market Price on such redemption date.

- (b) If Shareholder Approval has been obtained on or prior to the relevant redemption date, then the Company may, *in lieu* of the cash payment contemplated in Section 5.3(a), elect, in its sole discretion, to settle the value of the Deferred Share Units redeemed in respect of a Member who is not a U.S. Member (or if the Member has died, to his or her estate, as the case may be) in Shares which are not subject to a resale restriction under applicable Canadian securities laws as and when issued on such settlement date, on a one-for-one basis, less any income tax or other amounts required to be withheld by applicable law.
- (c) Any redemption of Deferred Share Units pursuant to Section 5.2 shall be settled as soon as practicable after the applicable redemption date determined in accordance with Section 5.2, provided that in any event such settlement date shall be no later than the last business day of the month of December of the calendar year in which the Separation From Service or, in the case of a Specified Employee, the Six-Month Date, occurs. Unless the Company validly elects in accordance with Section 5.3(d), on the settlement date, the value of the Deferred Share Units redeemed in respect of a U.S. Member shall be paid to the Member (or if the Member has died, to his or her estate, as the case may be) in immediately available funds, less the amounts required to be withheld by applicable law, as soon as practicable after the applicable redemption date determined in accordance with Section 5.2(a) or Section 5.2(b), and the amount of the cash payment to be paid to the Member (or if the Member has died, to his or her estate, as the case may be) on the applicable redemption date, before such withholdings, shall be determined by multiplying the number of Deferred Share Units to be redeemed by the Market Price on such redemption date.
- (d) If Shareholder Approval has been obtained on or prior to the relevant redemption date, then the Company may, *in lieu* of the cash payment contemplated in Section 5.3(c), elect, in its sole discretion, to settle the value of the Deferred Share Units redeemed in respect of a U.S. Member (or if the Member has died, to his or her estate, as the case may be) in Shares which are not subject to a resale restriction under applicable Canadian securities laws as and when issued on such settlement date, on a one-for-one basis, less any income tax or other amounts required to be withheld by applicable law.

#### **5.4 Dual Participants.**

This Section 5.4 shall apply to each Member who is a U.S. Member and is also subject to the provisions of the Tax Act in respect of the Deferred Share Units granted to such Participant (a "**Dual Participant**"). For greater clarity, these forfeiture provisions are intended to avoid adverse tax consequences under Section 409A of the Code and/or under paragraph (d) to Regulation 6801 of the Tax Act, that may result because of the different requirements as to the time of settlement of Deferred Share Units with respect to a Dual Participant's Separation from Service and such Member's Termination Date. Unless it is determined that no adverse tax consequences under either the U.S. income tax regime or the Canadian income tax regime would result, a Dual Participant's Deferred Share Units shall be immediately and irrevocably forfeited (for greater certainty, without any compensation therefor) if either: (i) such Dual Participant's Separation from Service does not constitute a retirement from, or loss of office or employment with, the Company or an affiliate, within the meaning of paragraph (d) to Regulation 6801 of the Tax Act; or (ii) on such Dual Participant's Member's Termination Date, such Dual Participant has not had a Separation of Service.

**ARTICLE 6  
ADMINISTRATION**

**6.1 Unfunded Obligation.**

Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Company.

**6.2 Committee to Administer Plan.**

The Plan shall be administered by the Board with the advice of the Committee or such other committee of the Board as the Board may, from time to time, determine to be appropriate; provided, however, that the Board shall be entitled to delegate administrative duties relating to the Plan to a third-party administrator as may from time to time be appointed by the Board.

**6.3 Costs of Administration.**

The Company will be responsible for all costs relating to the administration of the Plan.

**6.4 No Personal Liability.**

No director of the Company shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all directors of the Company shall, in addition to their rights as directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made hereunder.

**6.5 Officer Delegation.**

The appropriate officers of the Company are hereby authorized and empowered to do all things, and to execute and deliver all instruments, undertakings, applications and writings as they, in their absolute discretion, consider necessary or appropriate for the implementation of the Plan and of the rules and regulations established for administering the Plan.

**6.6 Blackout.**

Notwithstanding any other provision in the Plan, if DSUs previously credited to Member are scheduled to be settled during a Blackout Period, or within ten (10) business days after the expiry of a Blackout Period, then such redemption date shall be the date that is the tenth (10<sup>th</sup>) business day after the expiry of the Blackout Period, provided that such settlement may not be later than the last business day of the month of December of the year following the Member's Termination Date. If the revised redemption date is not a date that is prior to the last business day of the month of December of the year following Member's Termination Date, then such redemption date in respect of such DSUs shall, notwithstanding any other provision of the Plan, be the last business day of the month of December of the year following Member's Termination Date. Notwithstanding the foregoing, for any Member, redemption of and payment for the DSUs may not be delayed due to a Blackout Period beyond the latest payment date as permitted by paragraph (d) of Regulation 6801 of the Tax Act and, for any U.S. Member, payment of the DSUs may not be delayed due to a Blackout Period beyond the latest payment date as permitted by Section 409A of the Code, as determined by the Company.

**ARTICLE 7**  
**UNITED STATES SECURITIES LAW MATTERS**

No DSUs shall be granted under the Plan to Directors in the United States unless such DSUs and Shares subject to such DSUs are registered under the U.S. Securities Act and any applicable U.S. state securities laws, or an exemption from such registration requirements is available. If a registration statement covering the Shares subject to the DSUs has not been filed and become effective under the U.S. Securities Act, DSUs credited to the Deferred Share Unit Account of a Director in the United States, and the Shares subject to such DSUs, issued pursuant to an available exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), and any certificate or instrument representing such securities shall bear or be deemed to bear a legend restricting transfer under applicable United States federal and state securities laws in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH THE REQUIREMENTS OF RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE U.S. STATE SECURITIES LAWS, AFTER, IN THE CASE OF TRANSFERS UNDER CLAUSE (C) OR (D), THE HOLDER HAS FURNISHED TO THE COMPANY AND ITS TRANSFER AGENT AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE COMPANY AND ITS TRANSFER AGENT TO THE EFFECT THAT SUCH EXEMPTION(S) ARE AVAILABLE. THESE SECURITIES MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES."

The Board may require that a Director provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable securities laws, including without limitation, the registration requirements of the U.S. Securities Act and applicable state securities laws or exemptions or exclusions therefrom.

**ARTICLE 8**  
**GENERAL**

**8.1 Assignment.**

A Deferred Share Unit is personal to the Member and is non-assignable. No Deferred Share Unit granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Member, whether voluntarily or by operation of law, otherwise than by testate succession or the laws of descent and distribution, and any attempt to do so will cause such Deferred Share Unit to be null and void. During the lifetime of the Member, a Deferred Share Unit shall be redeemable only by the Member and, upon the death of a Member, the person to whom the rights shall have passed by testate

succession or by the laws of descent and distribution may redeem any Deferred Share Units in accordance with the provisions of Article 5.

## **8.2 No Shareholder Rights.**

Deferred Share Units are not Shares and will not entitle a Member to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

## **8.3 Clawback.**

All DSUs granted under the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board (or a committee of the Board) and, in each case, as may be amended from time to time.

## **8.4 Reorganization of the Company**

The existence of any DSUs shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

In the case of an adjustment to the Shares following a dividend of shares, an amalgamation, a combination, merger or consolidation, a share-for-share exchange or any other similar change in the capital structure of the Company, an adjustment shall be made by the Company to the number of DSUs or to the kind of shares that are subject to the issued DSUs, as the case may be. The Committee shall make such adjustment, which shall be final and binding for purposes of the Plan.

All actions under this Section 8.4 shall be such that the Plan and all DSUs continuously meet the requirements of paragraph 6801(d) of the Regulations to the Tax Act or any successor provision thereto.

## **8.5 Suspension, Termination or Amendments**

The Board may, from time to time, (i) amend, suspend or terminate (and re-instate) the Plan in whole or in part, provided the Plan continuously meets the requirements of paragraph 6801(d) of the Regulations to the Tax Act or any successor provision thereto, or (ii) amend the terms of DSUs credited in accordance with the Plan, in each case, without approval of the shareholders of the Company, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the Exchange.

Notwithstanding the foregoing, the Plan shall not be amended to (i) remove or exceed the insider participation limit prescribed by the Corporate Finance Manual of the TSXV, (ii) increase the maximum number of Shares made available for issuance from treasury under the Plan, (iii) modify the definition of "Member", or (iv) modify this amendment provision, without the approval of the shareholders of the Company.

If any such amendment, suspension or termination will materially or adversely affect the rights of a Member with respect to DSUs credited to such Member, then the written consent of such Member to such amendment, suspension or termination shall be obtained. Notwithstanding the foregoing, the obtaining of the written consent of any Member to an amendment, suspension or termination which materially or

adversely affects the rights of such Member with respect to any credited DSUs shall not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Member are listed.

If the Committee terminates the Plan, then DSUs previously credited to Participants shall remain outstanding and in effect and be settled in due course in accordance with the terms of the Plan (which shall continue to have effect, but only for such purposes).

**8.6 Section 409A**

DSUs granted to U.S. Members are intended to comply with the requirements of Section 409A of the Code. The Plan and any award agreements with respect to a U.S. Member will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Committee. Notwithstanding the foregoing, neither the Company, the Board, nor the Committee shall have any obligation to take any action to prevent the assessment of any additional tax or penalty on any U.S. Member under Section 409A of the Code, and neither the Company, the Board, nor the Committee will have any liability to any U.S. Member for such additional tax or penalty.

\* \* \* \* \*

**SCHEDULE "A"**  
**ELECTION NOTICE**

Please complete one of Section 1 (Election Notice), Section 2 (Election to Change Participation) or Section 3 (Election to Terminate an Earlier Election) and return a signed and dated copy of this Schedule "A" to the Chief Financial Officer of Premium Nickel Resources Ltd. (the "**Company**").

**SECTION 1 – ELECTION NOTICE**

I hereby elect to participate in the Plan on the following basis, commencing with the quarterly payment for the quarter ending \_\_\_\_\_, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice, namely, to receive in Deferred Share Units \_\_\_\_\_ % **(please insert applicable percentage)** of the amount otherwise payable to me in cash in respect of my Annual Board Retainer, \_\_\_\_\_ % **(please insert applicable percentage)** of the amount otherwise payable to me in cash in respect of my Annual Chair Retainer \_\_\_\_\_ % **(please insert applicable percentage)** of the amount otherwise payable to me in cash in respect of my Annual Committee Retainer, and \_\_\_\_\_ % **(please insert applicable percentage)** of the amounts otherwise payable to me in cash in respect of my Meeting Fees.

I confirm that:

1. I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms.
2. I understand that I will not be able to cause the Company to redeem Deferred Share Units granted under the Plan ("**DSUs**") until I am no longer any of a Director or an employee of the Company or a corporation related thereto.
3. I recognize that when DSUs credited pursuant to an election made under Section 1 or Section 2 of this Election Notice are redeemed in accordance with the terms of the Plan after I am no longer a Director or employee of the Company, income tax and other obligations will arise at that time that will be my obligations (and not the Company's, except as required by law). Upon redemption of the DSUs, the Company will make all appropriate withholdings as required by law at that time.
4. The value of DSUs are based on the value of the common shares of the Company and therefore are not guaranteed.
5. No funds will be set aside to guarantee the payment of DSUs. Future payment of DSUs will remain an unfunded liability recorded on the books of the Company.
6. I acknowledge and agree that, as described in greater detail in the Plan, I am not permitted to assign, pledge, charge or otherwise encumber the DSUs granted to me under the Plan.
7. An election filed pursuant to Section 1, Section 2 or Section 3 of this Schedule "A" is required to be filed with the Chief Financial Officer of the Company not later than the last business day of the calendar year ending before the particular calendar year in respect of which I am electing to receive any portion of my Annual Board Retainer, my Annual Chair Retainer, my Annual Committee Retainer and / or my Meeting Fees in DSUs rather than cash (or in respect of which I am electing to change or terminate such election, as the case may be).

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan in its entirety.

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Signature of Director)

\_\_\_\_\_  
(Name of Director)

.....  
 **SECTION 2 - ELECTION TO CHANGE PARTICIPATION**

I hereby elect, notwithstanding any previous election in the form of this Election Notice, to change my election with respect to my participation in the Plan, commencing with the quarterly payment for the quarter ending \_\_\_\_\_, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice, namely, so as to receive in Deferred Share Units \_\_\_\_\_ % **(please insert applicable percentage)** of the amount otherwise payable to me in cash in respect of my Annual Board Retainer, \_\_\_\_\_ % **(please insert applicable percentage)** of the amount otherwise payable to me in cash in respect of my Annual Chair Retainer, \_\_\_\_\_ % **(please insert applicable percentage)** of the amount otherwise payable to me in cash in respect of my Annual Committee Retainer and \_\_\_\_\_ % **(please insert applicable percentage)** of the amounts otherwise payable to me in cash in respect of my Meeting Fees.

I confirm that:

1. I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms.
2. I understand that I will not be able to cause the Company to redeem Deferred Share Units granted under the Plan ("DSUs") until I am no longer any of a Director or an employee of the Company or a corporation related thereto.
3. I recognize that when DSUs credited pursuant to an election made under Section 1 or Section 2 of this Election Notice are redeemed in accordance with the terms of the Plan after I am no longer a Director or employee of the Company, income tax and other obligations will arise at that time that will be my obligations (and not the Company's, except as required by law). Upon redemption of the DSUs, the Company will make all appropriate withholdings as required by law at that time.
4. The value of DSUs are based on the value of the common shares of the Company and therefore are not guaranteed.
5. No funds will be set aside to guarantee the payment of DSUs. Future payment of DSUs will remain an unfunded liability recorded on the books of the Company.
6. I acknowledge and agree that, as described in greater detail in the Plan, I am not permitted to assign, pledge, charge or otherwise encumber the DSUs granted to me under the Plan.
7. An election filed pursuant to Section 1, Section 2 or Section 3 of this Schedule "A" is required to be filed with the Chief Financial Officer of the Company not later than the last business day of the calendar year ending before the particular calendar year in respect of which I am electing to receive any portion of my Annual Board Retainer, my Annual Chair Retainer and / or my Meeting Fees in

DSUs rather than cash (or in respect of which I am electing to change or terminate such election, as the case may be).

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan in its entirety.

\_\_\_\_\_

Date

\_\_\_\_\_

(Signature of Director)

\_\_\_\_\_

(Name of Director)

.....

**SECTION 3 - ELECTION TO TERMINATE AN ELECTION**

I hereby elect, by marking the box below this paragraph with an "X", to terminate my election under Section 4.4 of the Plan and to receive my Annual Board Retainer, my Annual Chair Retainer and my Meeting Fees in cash commencing with the first quarterly payment of the first calendar year beginning after the date hereof.

YES, I WISH TO TERMINATE MY MOST RECENT ELECTION UNDER SECTION 4.4 OF THE PLAN.

\_\_\_\_\_

Date

\_\_\_\_\_

(Signature of Director)

\_\_\_\_\_

(Name of Director)

**SCHEDULE "B"**  
**REDEMPTION NOTICE FOR DIRECTORS WHO ARE *NOT* U.S. MEMBERS UNDER THE PLAN**

I hereby advise Premium Nickel Resources Ltd. (the "**Company**") that I wish to redeem \_\_\_\_\_  
**[Insert Number of DSUs to be redeemed]** Deferred Share Units credited to my account under the Plan on the following redemption date, which in any case shall be no earlier than my Member's Termination Date, no earlier than the date on which this notice is filed with the Company, but no later than December 15 of the first calendar year commencing after the year in which I ceased to be a director or employee of the Company:

**Redemption Date:** \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Signature of Member)

\_\_\_\_\_  
(Name of Member)

If this Redemption Notice is signed by a beneficiary or legal representative, documents evidencing the authority of such signature must accompany this Redemption Notice.

**SCHEDULE "C"**  
**REDEMPTION NOTICE FOR DIRECTORS WHO ARE U.S. MEMBERS UNDER THE PLAN**

I hereby advise Premium Nickel Resources Ltd. (the "**Company**") that I wish to redeem \_\_\_\_\_ **[Insert Number of DSUs to be redeemed]** Deferred Share Units credited to my account under the Plan on the following redemption date, which in any case shall be no earlier than the date on which this notice is filed with the Company (and, if I am a Specified Employee, which date must be after my Six-Month Date) but no later than December 15 of the calendar year that includes my Termination Date or, if I am a Specified Employee, not later than December 15 of the calendar year that includes my Six-Month Date:

**Redemption Date:** \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Signature of Member)

\_\_\_\_\_  
(Name of Member)

- If this Redemption Notice is signed by a beneficiary or legal representative, documents evidencing the authority of such signature must accompany this Redemption Notice