



**Notice of Special Meeting of  
Shareholders to be held on  
October 18<sup>th</sup>, 2022**

**Management Information Circular  
as at September 7<sup>th</sup>, 2022**



**WALLBRIDGE MINING COMPANY LIMITED  
INVITATION OF FELLOW SHAREHOLDERS**

As you know, on July 12, 2022, Wallbridge Mining Company Limited (the “**Company**”) entered into a definitive agreement with Archer Exploration Corp. (“**Archer**”) pursuant to which Archer will acquire all of the Company’s property, assets, rights and obligations related to its portfolio of nickel assets, including the Grasset property, to create a focused and well-funded publicly-traded nickel exploration and development company (the “**Transaction**”).

In connection with the Transaction, the Company will receive an upfront consideration of C\$53.6 million, consisting of 66,211,928 common shares of Archer (“**Archer Shares**”), valued using the July 12, 2022, closing price of the Archer shares, and as adjusted to reflect a proposed consolidation of the Archer Shares immediately prior to the closing date of the Transaction at a rate of three pre-consolidation Archer Shares for one post-consolidation Archer Share. Archer will proceed with a private placement of securities to raise gross proceeds of not less than \$10,000,000 (the “**Financing**”) to be completed on or before the closing of the Transaction (the “**Closing**”). Subject to standard licensing and regulatory approvals, and the satisfaction of customary closing conditions, the Transaction is expected to close in the fourth quarter of 2022. Under the terms of the Transaction, the Company has agreed to make a distribution (the “**Distribution**”) of common shares of Archer (“**Archer Shares**”) to the Company’s shareholders (the “**Shareholders**”) within 60 days of Closing, such that following the Distribution, the Company would retain an approximately 19.9% basic ownership interest in Archer, after giving effect to, among other things, the Financing.

Subject to Shareholder approval, the Company intends to effect the Distribution as a return of capital.

As a result, we are pleased to invite you to attend a special meeting (the “**Meeting**”) of Shareholders of the Company to be held by way of a live audio webcast at <https://virtual-meetings.tsxtrust.com/1402> on October 18, 2022 at 4:30pm (Eastern time) to vote on a special resolution (the “**Stated Capital Reduction Resolution**”) authorizing and approving a reduction of the stated capital account maintained by the Company in respect of the common shares in the capital of the Company (the “**Common Shares**”) pursuant to Section 34(1)(b) of the *Business Corporations Act* (Ontario) (the “**Stated Capital Reduction**”), for the purpose of distributing Archer Shares to holders of Common Shares by way of a return of capital (the “**Return of Capital**”).

The full text of the Stated Capital Reduction Resolution is attached as Schedule “A” to the accompanying management information circular. In order to pass the Stated Capital Reduction Resolution, at least two-thirds of the votes cast by holders of Common Shares must be in favour of the Stated Capital Reduction Resolution.

**Our board of directors (the “Board”) has unanimously determined that the Return of Capital is in the best interests of the Company and unanimously recommends that you vote FOR the Stated Capital Reduction Resolution.**

**If the Stated Capital Reduction Resolution is approved by the holders of Common Shares and the Distribution is declared by the Company’s Board thereafter, the Company will issue a news release announcing the amount of the Distribution, including the amount of the Return of Capital, as well as the record date for determining the Shareholders entitled to the Distribution and the payment date for the Distribution.**

Included with this letter is the formal Notice of Meeting and our management information circular, which includes information with respect to the matter to be voted on at the Meeting and directions on how to vote. We encourage you to review it for complete details of the matters, as well as their impact on you.

Representation of your Common Shares at the Meeting is very important. We urge you, whether or not you plan to attend the Meeting, to vote promptly over the internet, by telephone or by mailing a completed form of proxy or voting instruction form.

**Thank you for your continued support.**

**Anthony (Tony) Makuch**  
Chairman of the Board

**Marz Kord**  
President, Chief Executive Officer and Director

September 7, 2022

**WALLBRIDGE MINING COMPANY LIMITED  
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

NOTICE is hereby given that the special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of WALLBRIDGE MINING COMPANY LIMITED (the “**Company**”) will be held in a virtual-only format, which will be conducted via live webcast at

<https://virtual-meetings.tsxtrust.com/1402>

on October 18, 2022 at the hour of 4:30 p.m. (Eastern time) (the “**Meeting**”).

**To access the Meeting through TSX Trust, Shareholders will need to open the following link:**

<https://virtual-meetings.tsxtrust.com/1402>

**The Meeting password (case sensitive) is wallbridge2022. The Meeting will not be held in person.**

The meeting will be held for the following purposes:

1. to consider and, if deemed advisable, approve, with or without variation, a special resolution in the form set out in Schedule “A” to the accompanying management information circular dated September 7, 2022 (the “**Information Circular**”), authorizing and approving a reduction of the stated capital account maintained by the Company in respect of the common shares in the capital of the Company (the “**Common Shares**”) pursuant to Section 34(1)(b) of the *Business Corporations Act* (Ontario) (the “**Stated Capital Reduction**”), for the purpose of distributing common shares of Archer Exploration Corp. (“**Archer Shares**”) to holders of Common Shares by way of a return of capital, all as more particularly described in the Information Circular;
2. to transact such other business as may be properly transacted at the Meeting or at any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Information Circular.

**The Meeting will be held in a virtual meeting format only. This means that Shareholders will not be able to attend the Meeting physically.** A virtual-only meeting format is being adopted to enfranchise and give all Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or particular constraints, and in consideration of the health and safety of the Company’s shareholders, colleagues and the broader community in light of the COVID-19 pandemic.

**REGISTERED SHAREHOLDERS AND DULY APPOINTED PROXYHOLDERS WHO PARTICIPATE IN THE MEETING ONLINE WILL BE ABLE TO LISTEN TO THE MEETING, ASK QUESTIONS AND VOTE AT THE MEETING IN REAL TIME. PLEASE SEE "PROXY INSTRUCTIONS" IN THE INFORMATION CIRCULAR FOR DETAILED INSTRUCTIONS ON HOW TO ATTEND, PARTICIPATE AND VOTE AT THE MEETING.**  
**NOTICE-AND-ACCESS**

Notice is also hereby given that the Company has decided to use the notice-and-access method of delivery (“**Notice-and-Access**”) of Meeting Materials (as defined below) for the Meeting. Notice-and- Access allows the Company to deliver the Meeting Materials over the internet in accordance with the Notice-and-Access rules adopted by the Ontario Securities Commission under National Instrument 54-101 – *Communication with*



*Beneficial Owners of Securities of a Reporting Issuer.* Under the Notice-and- Access system, Shareholders still receive a proxy or voting instruction form (as applicable) enabling them to vote at the Meeting. However, instead of a paper copy of the Information Circular and other information (the “**Meeting Materials**”), Shareholders receive this notification with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to Shareholders. **Shareholders are reminded to view the Meeting Materials prior to voting.**

#### **WEBSITES WHERE MEETING MATERIALS ARE POSTED**

Materials can be viewed online under the Company’s profile at [www.sedar.com](http://www.sedar.com), at <https://docs.tsxtrust.com/2016> or on the Company’s website at [https://wallbridgeminig.com/investors/special\\_meeting/](https://wallbridgeminig.com/investors/special_meeting/). The Company will not use procedures known as “**stratification**” in relation to the use of Notice-and-Access provisions. Stratification occurs when a reporting issuer using Notice-and-Access provides a paper copy of the Management Information Circular to some Shareholders with this notice package.

#### **HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS**

Registered holders or beneficial owners may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Company’s website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please call toll free at 1-866-600-5869.

Requests should be received by October 6, 2022 in order to receive the Meeting Materials in advance of the meeting date.

The directors have fixed that time which is 48 hours, excluding Saturdays, Sundays and holidays, prior to the hour of the meeting, or any adjournment thereof, as the time before which proxies to be used at the meeting must be deposited with the Company or an agent thereof. A failure to so deposit the proxy may result in its invalidation.

Only holders of shares of record at the close of business on September 8, 2022 will be entitled to receive notice of and vote at the Meeting. **The Company encourages all Shareholders to vote in advance of the Meeting. Shareholders are reminded to review the Information Circular before voting.**

DATED at Sudbury, Ontario this 7th day of September, 2022.

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

**“Marz Kord”**

Faramarz (“**Marz**”) Kord: President and CEO

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## WALLBRIDGE MINING COMPANY LIMITED

### MANAGEMENT INFORMATION CIRCULAR FOR THE SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON OCTOBER 18, 2022

#### ITEM 1. GENERAL

This management information circular (the “Information Circular”) is furnished in connection with the solicitation by the management of WALLBRIDGE MINING COMPANY LIMITED (the “Company”) of proxies to be used at the special meeting of shareholders (the “Shareholders”) of the Company to be held in a virtual only format, which will be conducted via live webcast at

<https://virtual-meetings.tsxtrust.com/1402>

on October 18, 2022 at the hour of 4:30 p.m. in the afternoon (Eastern time) (the “Meeting”).

The Company does not intend to hold the Meeting in person in view of the evolving COVID-19 situation. The Meeting will be held by way of TSX Trust videoconference, and the Company invites Shareholders to participate in that manner.

To access the Meeting through TSX Trust, shareholders will need to open the following link:

<https://virtual-meetings.tsxtrust.com/1402>

The Meeting password (case sensitive) is wallbridge2022. The Meeting will not be held in person.

**REGISTERED SHAREHOLDERS AND DULY APPOINTED PROXYHOLDERS WHO PARTICIPATE IN THE MEETING ONLINE WILL BE ABLE TO LISTEN TO THE MEETING, ASK QUESTIONS AND VOTE AT THE MEETING IN REAL TIME. PLEASE SEE "PROXY INSTRUCTIONS" BELOW FOR DETAILED INSTRUCTIONS ON HOW TO ATTEND, PARTICIPATE AND VOTE AT THE MEETING.** This Information Circular is dated September 7, 2022 and the information contained herein is current as of such date unless a different date is otherwise indicated.

**All references in this Information Circular to dollars or to \$ are expressed in Canadian currency unless otherwise specifically indicated**

**Information contained in this Information Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisors in connection therewith.**

#### ITEM 2. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This Information Circular contains forward-looking statements or information (collectively, “FLI”) within the meaning of applicable Canadian securities legislation. FLI is based on expectations, estimates, projections, and interpretations as at the date of this Information Circular.

All statements, other than statements of historical fact, included herein are FLI that involve various risks, assumptions, estimates and uncertainties. Generally, FLI can be identified by the use of statements that include words such as “seeks”, “believes”, “anticipates”, “plans”, “continues”, “budget”, “scheduled”, “estimates”, “expects”, “forecasts”, “intends”, “projects”, “predicts”, “proposes”, “potential”, “targets” and variations of such words and phrases, or by statements that certain actions, events or results “may”, “will”, “could”, “would”, “should” or “might”, “be taken”, “occur” or “be achieved.”



FLI herein includes, but is not limited to, statements regarding the completion of the Distribution and Transaction (each as defined below), the amount, timing and value of the Stated Capital Reduction, Return of Capital and Distribution, the terms of the Financing (as defined below), the expected timing of the Closing (as defined below), receipt of regulatory approvals, and the intentions of the Company and Archer (as defined below) upon completion of the Transaction. FLI is designed to help you understand management's current views of its near- and longer-term prospects, and it may not be appropriate for other purposes. FLI by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such FLI. Although the FLI contained in this Information Circular is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure Shareholders and prospective purchasers of securities of the Company that actual results will be consistent with such FLI, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such FLI. Except as required by law, the Company does not undertake, and assumes no obligation, to update or revise any such FLI contained herein to reflect new events or circumstances, except as may be required by law. Unless otherwise noted, this Information Circular has been prepared based on information available as of the date of this Information Circular. Accordingly, you should not place undue reliance on the FLI or information contained herein.

Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in FLI.

Assumptions upon which FLI is based, without limitation, include the ability of the Company and Archer to obtain required approvals and satisfy the closing conditions under the Agreement (including completion of the Financing by Archer), the results of exploration activities, the Company's financial position and general economic conditions. Risks and uncertainties about Wallbridge's business are more fully discussed in the disclosure materials filed with the securities regulatory authorities in Canada, which are available at [www.sedar.com](http://www.sedar.com).

### **ITEM 3. APPOINTMENT AND REVOCATION OF PROXY**

A Shareholder who has voted their proxy may revoke it before it is acted upon: (i) by completing a proxy bearing a later date and sending the proxy to the Company, c/o TSX Trust Company, 301-100 Adelaide Street West, Toronto, ON M5H 4H1 so that it is received not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the hour of the Meeting, or (ii) by completing a written notice of revocation, which must be executed by the Shareholder or by their attorney authorized in writing, and sending the notice to the Company, c/o TSX Trust Company 301-100 Adelaide Street West, Toronto, ON M5H 4H1 so that it is received not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the hour of the Meeting.

A proxy may only be revoked with respect to matters that have not been acted on prior to revocation.

A non-registered Shareholder may revoke a Voting Instruction Form (as defined below) or a waiver of the right to receive the meeting materials and to vote given to an intermediary (as such term is defined below) at any time by written notice to the Intermediary except that an Intermediary is not required to act on a revocation of a Voting Instruction Form or of a waiver of the right to receive the materials and to vote that is not received by the Intermediary at least seven (7) days prior to the date of the Meeting. This will give your Intermediary time to submit the revocation to us.

#### ITEM 4. PERSONS MAKING THE SOLICITATION

The management of the Company is soliciting proxies to be used at the Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally or electronically or by telephone by directors, officers and employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

#### ITEM 5. PROXY INSTRUCTIONS

##### (A) VOTING INFORMATION

###### Registered Shareholders

You are a registered Shareholder if your shares are in your name and you have a physical certificate in your possession. The Meeting will be held as a virtual-only Shareholder meeting. Only registered Shareholders and duly appointed Proxyholders, as defined below, will be able to vote electronically at the Meeting. The password for use at the Meeting is wallbridge2022 (case sensitive).

###### VOTING OPTIONS

Before the Meeting you can vote by proxy using the voting methods as set out in the form of proxy ("**Form of Proxy**"): internet, facsimile or mail.

###### Non-registered Shareholders ("Beneficial Shareholder")

You are a Beneficial Shareholder if your shares are held in the name of a nominee, such as a bank, trust company, securities broker, trustee or other institution.

###### VOTING OPTIONS

Before the Meeting Beneficial Shareholders can vote by proxy using the voting methods as set out in the voting information form ("VIF"): internet, facsimile or mail.

The Meeting will be held as a virtual only Shareholder meeting. Only registered Shareholders and duly-appointed Proxyholders, as defined below, will be able to vote electronically at the Meeting. If you are a Beneficial Shareholder and want to vote at the Meeting you must appoint yourself as a Proxyholder using the VIF and also complete and return the form found at the following download Request for Control Number Form link: [tsxtrust.com/resource/en/75](https://tsxtrust.com/resource/en/75). As a Proxyholder you will be given a unique control number to access the Meeting.

##### (B) APPOINTMENT OF PROXYHOLDER

The persons named in the Form of Proxy and VIF which has been provided to the Company's Shareholders of record have been designated by the management of the Company. **Each Shareholder has the right to appoint as proxyholder a person or company (who need not be a Shareholder of the Company) other than the persons designated by management of the Company in the form of proxy to attend and act on the Shareholder's behalf at the Meeting or at any adjournment or postponement thereof. A Shareholder desiring to appoint some other person to represent him or her (a "Proxyholder") may do so by following the instructions on the Form of Proxy or VIF.** Such requests are to be received not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the hour of the Meeting. A Proxyholder need not be an employee of the Company. It is the responsibility of the Shareholder to advise their Proxyholder to contact TSX Trust to request a control number. Without the control number, Proxyholders will not be able to participate at the Meeting. You or your proxy will need to

complete and return the Request For Control Number Form which can be found at <https://tsxtrust.com/resource/en/75>.

(C) PROXYHOLDER VOTING

On any ballot that may be called for the common shares in the capital of the Company (the “**Common Shares**”) represented by proxy will be voted for, withheld from voting or voted against in accordance with the instructions of the Shareholder and, if a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The form of proxy and VIF forwarded to Shareholders by management, when properly signed, confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. At the date hereof, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting. If matters which are not known at the date hereof should properly come before the Meeting, the Common Shares represented by proxies will be voted on such matters in accordance with the best judgment of the proxyholder.

Duly-appointed Proxyholders will be able to vote electronically at the Meeting. Voting during the Meeting will be conducted electronically through a virtual meeting platform. It is the responsibility of each participant to maintain an internet connection for the duration of the Meeting.

(D) BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxyholders are permitted to vote. However, in many cases, Common Shares beneficially owned by a Beneficial Shareholder are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Beneficial Shareholder deals with in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository of Securities Limited (“**CDS**”)) of which the Intermediary is a participant.

In accordance with the requirement of National Instrument 54-101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Company is distributing copies of the Notice of the Meeting together with a VIF: (i) directly to Beneficial Shareholders who have advised their Intermediary that they do not object to the Intermediary providing their ownership information to issuers whose securities they beneficially own (Non-Objecting Beneficial Owners or “**NOBOs**”), and (ii) to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders who have advised their Intermediary that they object to the Intermediary providing their ownership information (Objecting Beneficial Owners or “**OBOs**”). The Company and its management do not intend to pay for Intermediaries to forward meeting materials to the OBOs pursuant to NI 54-101. Therefore, OBOs will not receive materials unless their Intermediary assumes the cost of delivery.

This Information Circular is available electronically on the Company’s website (see “**Item 4(E) Adoption of Notice-and-Access System**”) for further information in this regard).

**BENEFICIAL SHAREHOLDERS SHOULD CAREFULLY FOLLOW THE INSTRUCTIONS OF THEIR INTERMEDIARY INCLUDING THOSE REGARDING WHEN AND WHERE THE FORM OF PROXY OR VOTING INSTRUCTION FORM IS TO BE DELIVERED.**

(E) ADOPTION OF NOTICE-AND-ACCESS SYSTEM:

In accordance with the notice-and-access rules adopted by the Ontario Securities Commission under NI 54-101, the Company has sent its proxy-related materials directly to registered holders and NOBOs using notice-and-access. Therefore, although Shareholders still receive a Form of Proxy or VIF in paper copy, this Information Circular is not physically delivered. Instead, Shareholders may access these materials on the Company's website at [https://wallbridgeminig.com/investors/special\\_meeting/](https://wallbridgeminig.com/investors/special_meeting/), at <https://docs.tsxtrust.com/2016> or under the Company's profile page on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company will not use procedures known as “**stratification**” in relation to the use of notice-and-access provisions. Stratification occurs when a reporting issuer using notice-and-access provides a paper copy of the Information Circular to some Shareholders with the notice package.

Registered Shareholders or Beneficial Shareholders may request paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting materials are posted on the Company's website. In order to receive a paper copy of the Meeting materials or if you have questions concerning Notice-and-Access, please call toll free at 1-866-600-5869. **Requests for paper materials should be received by October 6, 2022 in order to receive the Meeting materials in advance of the Meeting.**

**ITEM 6. INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No director, executive officer, nominee director or associate or affiliate of any director, executive officer or nominee director has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

**ITEM 7. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the best of the Company's knowledge, except as disclosed herein, since the commencement of the Company's most recently completed financial year, no informed person (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Company or any associate or affiliate of an informed person, has had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

**ITEM 8. VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

(A) CLASS AND OUTSTANDING

As at the close of business on the date of this Information Circular, the Company had 882,414,242 Common Shares outstanding, each such share having one vote. A special majority of not less than two thirds of the votes cast at the Meeting, whether by proxy or otherwise, will constitute approval of the special resolution attached as Schedule “A” hereto (the “**Stated Capital Reduction Resolution**”).

(B) RECORD DATE AND RIGHTS:

Each Shareholder of record at the close of business on September 8, 2022 (the “**Record Date**”) is entitled to vote the Common Shares registered in his or her or its name in person or by proxy. The list of Shareholders will be available for inspection after September 8, 2022 during normal business hours at the offices of TSX Trust Company.

(C) PRINCIPAL SHAREHOLDERS:

To the knowledge of the directors of the Company based on public filings, as at this Information Circular, no person or corporation beneficially owned or exercised control or direction over more than 10% of the outstanding Common Shares of the Company, other than: (i) 2176423 Ontario Ltd. (a company owned and controlled by Eric S. Sprott) and Eric S. Sprott who owns and/or controls 165,306,752 Common Shares in the aggregate, being 18.7% of the 882,414,242 outstanding Common Shares.

**ITEM 9. MATTERS TO BE ACTED UPON AT THE MEETING: STATED CAPITAL REDUCTION RESOLUTION AND RETURN OF CAPITAL**

**General Overview of Stated Capital Reduction Resolution and Return of Capital**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass the Stated Capital Reduction Resolution authorizing and approving the reduction of the stated capital account maintained by the Company in respect of the Common Shares pursuant to Section 34(1)(b) of the *Business Corporations Act* (Ontario) (the “**Stated Capital Reduction**”), for the purpose of distributing common shares (“**Archer Shares**”) of Archer Exploration Corp. (“**Archer**”) to holders of Common Shares by way of a return of capital (the “**Return of Capital**”), in an amount equal to the aggregate fair market value of the Archer Shares distributed pursuant to the Return of Capital at the time of the Return of Capital, if, as and when determined by the board of directors of the Company, in its sole discretion, all as more particularly set forth herein. The number of Archer Shares to be distributed will be such that, following the Distribution, the Company would retain an approximately 19.9% basic ownership interest in Archer, after giving effect to, among other things, certain transactions with respect to Archer described below (see “Background to the Reduction of Stated Capital”).

Based on the number of issued and outstanding Common Shares as of the Record Date, the closing price of Archer Shares on July 12, 2022, and Archer’s contemplated capitalization at Closing (as defined below), it is estimated that holders of Common Shares as of the close of business on the record date (the “**Distribution Record Date**”) for holders of Common Shares entitled to a distribution of Archer Shares (the “**Distribution**”), would receive approximately 0.055 Archer Shares per Common Share held, representing an expected aggregate fair market value of approximately \$39,264,307 to holders of Common Shares. The actual amount of Archer Shares that will be received by Shareholders of record as of close of business on the Distribution Record Date will be an amount per Common Share equal to the aggregate amount of Archer Shares distributed pursuant to the Distribution divided by the number of Common Shares outstanding on the Distribution Record Date (including any Common Shares issued after the date hereof and prior to the Distribution Record Date), provided however that if, as a result of the Distribution, a shareholder would otherwise be entitled to a fraction of an Archer Share, no such fractional Archer Share will be distributed, and the aggregate number of Archer Shares that such Shareholder is entitled to will, if the fraction is less than one half of one Archer Share, be rounded down to the next closest whole number of Archer Shares, without any additional compensation, and if the fraction is at least one half of one Archer Share, be rounded up to one whole Archer Share.

If the Stated Capital Reduction Resolution is approved by holders of Common Shares at the Meeting, subject to the prior closing of the Transaction, the Board intends to confirm the Stated Capital Reduction (as defined in

Schedule “A” attached hereto) for purposes of effecting the Return of Capital and declaring the Distribution, including the Return of Capital, as soon as practicable following the Meeting, provided however that the Return of Capital will not occur (i) before the Closing (as defined below) or (ii) more than 60 days following the Closing. The confirmation and declaration of the Distribution by the Board, including the actual amount of the Distribution, will be subject to applicable laws, and the exercise by the Board of its fiduciary duties. As soon as reasonably practicable following such confirmation and declaration, the Company will issue a news release announcing the amount of the Distribution, including the amount of the Return of Capital, as well as the Distribution Record Date and payment date for the Distribution.

Under the Asset Purchase Agreement (as defined below), the Company has agreed to effect the Distribution within sixty (60) days of the date of Closing (as defined below). The Company intends to effect the Distribution as soon as practicable on or after the date of the Closing and the Common Shares are expected to commence trading “ex-distribution” on the TSX on the trading day after the date of the Distribution. These dates for the Distribution are subject to change; the definitive dates will be announced by the Company in the above-referenced news release.

The TSX has advised the Company that it has determined to use “due bills” in connection with the Distribution. Due bills represent entitlements to cash, and will attach to Common Shares between the first trading day prior to the Distribution Record Date and the payment date for the Distribution, allowing Common Shares to carry the value of the entitlement to the Distribution until it is paid. When due bills are used, the ex-distribution date is deferred to the first trading day after the payment date. The Distribution is expected to be paid on or about the closing date of the Transaction and the Common Shares are expected to commence trading “ex-distribution” on the TSX on the trading day after the date of the Distribution. The foregoing dates for the Distribution are subject to change; the definitive dates will be announced by the Corporation in the above referenced news release.

### Background to the Reduction of Stated Capital

On July 12, 2022, the Company entered into a definitive agreement with Archer (the “**Asset Purchase Agreement**”), pursuant to which Archer agreed to acquire all of the Company’s property, assets, rights and obligations related to its portfolio of nickel assets, including the Grasset property, to create a focused and well-funded publicly-traded nickel exploration and development company (the “**Transaction**”) for an upfront consideration of C\$53.6 million, consisting of 66,211,928 Archer Shares, valued using the July 12, 2022, closing price of the Archer Shares and as adjusted to reflect a proposed consolidation of the Archer Shares immediately prior to the closing date of the Transaction at a rate of three pre-consolidation Archer Shares for one post-consolidation Archer Share.

Archer is a Canadian mineral exploration company focused on the acquisition, exploration, and development of nickel sulphide projects globally. The Archer Shares are listed on the Canadian Securities Exchange (“**CSE**”). The Archer Shares were halted upon announcement of the Transaction and may remain halted until the Closing.

The Asset Purchase Agreement provides that Archer will proceed with a private placement of securities to raise gross proceeds of not less than \$10,000,000 (the “**Financing**”) to be completed on or before the closing of the Transaction (the “**Closing**”). Under the terms of the Transaction, the Company has agreed to make the Distribution within 60 days of Closing, such that following the Distribution the Company would retain an approximately 19.9% basic ownership interest in Archer, after giving effect to, among other things, the Financing.

In addition:

- Archer will grant the Company a royalty equal to 2% of net smelter returns less the amount of any pre-existing royalties on encumbered portions of the Grasset property. In certain circumstances, the



Company will be granted a right of first refusal to acquire any new royalties sold by Archer on the Grasset property.

- The Company will have the right to nominate two directors to Archer's board of directors, with the current nominees being Marz Kord, Chief Executive Officer of the Company and Brian Penny, Chief Financial Officer of the Company, pursuant to the terms of an investor rights agreement to be entered into in connection with Closing. Such agreement will also provide, among other things, that for so long as the Company holds at least 10% of the issued and outstanding shares of Archer, it will have a pro rata pre-emptive right, top-up rights and a standard piggyback registration right subject to underwriter cutback.
- The Company and Archer will also enter into an exploration cooperation agreement concerning the Grasset property in connection with Closing (the "**Exploration Agreement**"). The Exploration Agreement applies to the Grasset property but excludes those portions which include the mineral resource on such property (the "**Gold Cooperation Area**"). Pursuant to the Exploration Agreement, the Company will be granted the right to explore the Gold Cooperation Area for gold in certain circumstances. If the results from either the Company's or Archer's exploration work in the Gold Cooperation Area establish a mineral resource that consists of primary gold mineralization, then the parties will form a joint venture in which Archer will have a 30% interest and the Company will have a 70% interest. If the results from the Company's exploration work in the Gold Cooperation Area establish a mineral resource that consists of primary mineralization other than gold, then the parties will form a joint venture in which Archer will have a 70% interest and the Company will have a 30% interest. The purpose of any such joint ventures will be to explore, develop and operate such mineral resource. The Exploration Agreement has a term of five years and is subject to earlier termination in certain circumstances.

Pursuant to the terms of the Asset Purchase Agreement, the Closing is subject to a number of conditions, including, among others: (i) receipt of other regulatory approvals, including the CSE conditional approval; (ii) receipt of approvals of Archer's shareholders, (iii) completion of the Financing; (iv) the Company and Archer entering into an investor rights agreement, royalty agreement and the Exploration Agreement; and (v) there having been no material adverse change in the Company, Archer, or the purchased assets. The Transaction is expected to close in the fourth quarter of 2022. **Closing of the Transaction is not subject to approval by Shareholders.**

The Company believes that the opportunity to have its portfolio of non-core nickel assets acquired by Archer, a focused, publicly-traded nickel development and exploration company led by a world-class team, unlocks the value of these assets and allows the Company and Shareholders to benefit from their future development potential. This will also allow the Company's core focus to remain on the exploration and development of its 100%-owned Fenelon Gold property, located on the highly prospective Detour-Fenelon Gold Trend in Northern Abitibi, Quebec, where it is currently in the midst of a major drilling campaign to expand the multi-million-ounce resource that has been identified.

A copy of the Asset Purchase Agreement may be found under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Further information concerning Archer may be found under Archer's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **Purpose of the Stated Capital Reduction**

Pursuant to the Asset Purchase Agreement, the Company has agreed, among other things, to effect the Distribution within sixty (60) days of the date of Closing, and to use commercially reasonable efforts to obtain such approvals of Shareholders as may be required in connection with the Distribution. In addition, pursuant to

the Asset Purchase Agreement, the Company and Archer agreed that the Distribution is intended to occur as a return of capital rather than by virtue of one or more dividends (including deemed dividend(s)), including for purposes of the Tax Act (as defined below).

Accordingly, on completion of the Transaction, the Company intends to distribute such number of Archer Shares as would permit the Company to retain a 19.9% basic ownership interest in Archer, after giving effect to, among other things, the Financing. Based on the number of issued and outstanding Common Shares as of the Record Date, the closing price of Archer Shares on July 12, 2022, and Archer's contemplated capitalization at Closing, as of the date of this Information Circular, this amount is estimated to be approximately 48,447,920 Archer Shares. Such Archer Shares would represent a fair market value of approximately \$0.0445 per Common Share held and an aggregate fair market value of \$39,264,307. However, such figures are subject to fluctuation based on, among other things, the number of Archer Shares issued and outstanding and the fair market value of the Archer Shares distributed. In order to distribute the net proceeds of the Transaction in a tax efficient manner for Shareholders, the Company is proposing the Stated Capital Reduction. Approval of the Stated Capital Reduction Resolution is required to enable the Return of Capital. If Shareholders do not approve the Stated Capital Reduction Resolution at the Meeting, the Company will not be able to complete the Return of Capital on the terms and on the timing currently proposed.

The Company believes that the Distribution, including the Stated Capital Reduction and Return of Capital, represents an appropriate means of rewarding Shareholders for their support and returning the Archer Shares received in partial consideration of the disposition of the Company's nickel portfolio to Shareholders in a tax-efficient manner.

At the Meeting, or any adjournment or postponement thereof, Shareholders will only be asked to approve the Stated Capital Reduction Resolution. If any other items of business are properly brought before the Meeting, or any adjournment or postponement thereof, Shareholders will be asked to vote on such business. We are not aware of any other items of business at this time.

### **Effect of Distribution**

The stated capital account of the Common Shares is currently approximately \$444,957,254. If the Stated Capital Reduction Resolution is approved by holders of Common Shares at the Meeting, based on the number of issued and outstanding Common Shares as of the Record Date, the closing price of Archer Shares on July 12, 2022, and Archer's contemplated capitalization at Closing, as of the date of this Information Circular it is estimated that the aggregate fair market value of the Distribution will be approximately \$39,264,307. Accordingly, after giving effect to the Stated Capital Reduction and the payment of the Return of Capital, the aggregate stated capital of the Common Shares is expected to be reduced by \$39,264,307 to approximately \$405,692,947. However, such figures are subject to fluctuation based on, among other things, the number of Archer Shares issued and outstanding and the fair market value of the Archer Shares distributed.

Absent other factors, and based on the foregoing estimates, the Distribution is expected to decrease the per share market price of the Common Shares by approximately \$0.0445.

### **Prohibitions under the OBCA**

The OBCA provides that a corporation shall not reduce its stated capital if there are reasonable grounds for believing that (a) the corporation is or, after taking such action, would be unable to pay its liabilities as they become due; or (b) after the taking of such action, the realizable value of the corporation's assets would be less than the aggregate of its liabilities.

As of the date of this Information Circular, the Company does not have reasonable grounds to believe that, after giving effect to the Stated Capital Reduction, the Company would be unable to pay its liabilities as they become due or that the realizable value of the Company's assets would be less than the aggregate of its liabilities.

### Tax Consequences

For a description of the principal Canadian federal income tax considerations applicable to the holders of Common Shares in connection with the Distribution, see "Certain Canadian Federal Income Tax Considerations".

### Approval of Stated Capital Reduction

The text of the Stated Capital Reduction Resolution shall be substantially as attached hereto as Schedule "A". Pursuant to Section 34(1)(b) of the OBCA, the Stated Capital Reduction Resolution must be approved by a special majority of not less than two-thirds of the votes cast by holders of Common Shares at the Meeting in person or by proxy. Approval of the Stated Capital Reduction Resolution is required to enable the Return of Capital. If Shareholders do not approve the Stated Capital Reduction Resolution at the Meeting, the Company will not be able to complete the Return of Capital on the terms and on the timing currently proposed.

However, the Stated Capital Reduction Resolution proposed for consideration by the holders of Common Shares authorizes the Board, without further notice to or approval of the Shareholders, to reduce, revoke or abandon (but not increase the aggregate amount of) the Stated Capital Reduction and the Return of Capital at any time prior to its being given effect.

The Board has unanimously determined that the Stated Capital Reduction and Return of Capital are in the best interests of the Company. The Company believes that the Distribution, including the Stated Capital Reduction and Return of Capital, represents an appropriate means of rewarding Shareholders for their support and returning a substantial portion of the Archer Shares received as consideration for the sale of the Company's nickel portfolio. As a result, should the Stated Capital Reduction Resolution not be approved by Shareholders at the Meeting, the Board may nonetheless determine to proceed with the Distribution as a taxable special dividend in its entirety, subject to the terms of the Asset Purchase Agreement, including as described elsewhere in this Information Circular.

### Securities Law Matters

The Distribution will be effected in reliance on an exemption from the prospectus requirements under applicable Canadian securities laws, in accordance with section 2.31 ("Dividends and Distributions") of National Instrument 45-106 – *Prospectus Exemptions*. Accordingly, no prospectus will be provided to Shareholders in respect of the Archer Shares. The Archer Shares distributed to Shareholders pursuant to the Distribution will be subject to a statutory hold under applicable Canadian securities laws in accordance with section 2.5 ("Restricted Period") of National Instrument 45-102 – *Resale of Securities*, and unless permitted under securities legislation, may not be traded before the date that is four months and a day after the date of the Closing. Shareholders are advised to consult their financial or legal advisors with respect to the tradability of the Archer Shares that they will receive pursuant to the Distribution.

Additional information relating to Archer is available under Archer's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on Archer's website at <https://archerexploration.com>.

## Recommendation of the Board

The Board has unanimously determined that the Stated Capital Reduction and Return of Capital are in the best interests of the Company and unanimously recommends that the Shareholders vote FOR the Stated Capital Reduction Resolution. It is the intention of the persons named in the enclosed form of proxy or VIF, as applicable, to vote the proxy FOR the Stated Capital Reduction Resolution at the Meeting, if not expressly directed to vote to the contrary in such form of proxy or VIF, as applicable.

### ITEM 10. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) (the “**Tax Act**”) to a holder of Common Shares who receives the Distribution and who, at all relevant times, for the purposes of the Tax Act, holds the Common Shares, and will hold the Archer Shares acquired on the Distribution (collectively with the Common Shares, the “**Shares**”) as capital property, deals at arm’s length with the Company and Archer, and is not affiliated with the Company or Archer (a “**Holder**”). Generally, the Shares will be considered to be capital property to a Holder provided that the Holder does not use or hold the Shares in the course of carrying on a business and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Holders who do not hold their Shares as capital property should consult their own tax advisors with respect to their own particular circumstances.

This summary is not applicable to a Holder: (i) that is a “financial institution” for purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a “specified financial institution” (as defined in the Tax Act); (iii) an interest in which is a “tax shelter investment” (as defined in the Tax Act); (iv) that reports its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency; or (v) that has entered into or will enter into, with respect to the Common Shares or Archer Shares, a “derivative forward agreement” or “synthetic disposition arrangement” (as those terms are defined in the Tax Act). Such Holders should consult their own tax advisors.

This summary is based upon the provisions of the Tax Act and the regulations thereunder in force as of the date hereof and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing by the CRA and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether by way of judicial, legislative or governmental decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder, and no representations concerning the tax consequences to any particular Holder are made. Holders should consult their own tax advisors regarding the tax considerations applicable to them having regard to their particular circumstances.

#### *Stated Capital Reduction and Return of Capital*

Management of the Company has advised that the amount of the Distribution will not exceed the paid-up capital (as defined in the Tax Act) (“**PUC**”) of the Common Shares. PUC is the aggregate of all amounts received by a

corporation upon the issuance of its shares (by class), adjusted in certain circumstances in accordance with the Tax Act. PUC differs from the adjusted cost base of shares to any particular shareholder because adjusted cost base is calculated based on the amount paid by a shareholder to acquire shares of a corporation, whether on issuance by the corporation or from a third party through the marketplace.

An amount paid by a public corporation (as defined in the Tax Act) to its shareholders on a reduction of PUC in respect of any class of its shares is generally deemed to be a dividend by virtue of subsection 84(4.1) of the Tax Act unless: (a) the amount may reasonably be considered to have been derived from proceeds of disposition realized by the corporation, or by a person or partnership in which the corporation had a direct or indirect interest at the time that the proceeds were realized, from a transaction that occurred (i) outside the ordinary course of the business of the corporation or the person or partnership that realized the proceeds, and (ii) within the period that commenced 24 months before the payment; or (b) the funds or property are distributed by the corporation to or for the benefit of shareholders on the winding up, discontinuance or reorganization of the corporation's business.

The proceeds for the Return of Capital will be derived from the Transaction. Management of the Company is of the view that: (a) the Return of Capital can reasonably be considered to be derived from proceeds of disposition realized by the Company from a transaction that occurred outside the ordinary course of business of the Company, and/or (b) the Distribution is being made on the reorganization of the Company's business. As a result, subsection 84(4.1) should not apply to deem the Distribution to be a dividend. This determination is not free from doubt and no legal opinion or advance tax ruling has been sought or obtained in this regard. If the Distribution is deemed to be a dividend under the Tax Act, the provisions of the Tax Act regarding taxable dividends from a taxable Canadian corporation would apply and the summary below regarding the Return of Capital would not be applicable.

### **Resident Holders**

The following portion of this summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times, is or is deemed to be resident in Canada (a "**Resident Holder**"). A Resident Holder to whom the Shares might not constitute capital property may make, in certain circumstances, the irrevocable election permitted by subsection 39(4) of the Tax Act to have the Shares, and all other Canadian securities held by such person in the year of the election and any subsequent taxation year, treated as capital property. Resident Holders considering making such election should first consult their own tax advisors.

#### *Return of Capital*

The amount received by a Resident Holder on the Return of Capital (being the fair market value of the Archer Shares received by the Resident Holder at the time the Distribution is effected) will not be included in computing the Resident Holder's income for purposes of the Tax Act but will reduce the adjusted cost base of the Common Shares held by the Resident Holder. If the amount by which the adjusted cost base of the Common Shares is reduced on the Return of Capital were to exceed the Resident Holder's adjusted cost base in the Common Shares, such Resident Holder would be deemed to have realized a capital gain equal to such excess and the Resident Holder's adjusted cost base of the Common Shares would then be nil. Such capital gain will be subject to the tax treatment described below under "*Resident Holders - Capital Gains and Losses*".

Archer Shares received by a Resident Holder should have a cost to the Resident Holder for tax purposes equal to their fair market value at the time of such receipt. In computing the adjusted cost base of the Archer Shares at any time, the averaging rules under the Tax Act will apply.

### *Dividends on Shares*

Dividends received or deemed to be received on Shares held by a Resident Holder who is an individual (including certain trusts) will be included in computing such Resident Holder's income for the purposes of the Tax Act and will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from "taxable Canadian corporations" (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends". There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

Dividends received or deemed to be received on a Share by a Resident Holder that is a corporation will be included in computing its income and will generally be deductible in computing its taxable income, subject to the detailed rules in the Tax Act. In certain circumstances, however, a dividend received (or deemed to be received) by a Resident Holder that is a corporation may be deemed to be a capital gain or proceeds of disposition potentially giving rise to a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own particular circumstances.

A Resident Holder that is a "private corporation" or "subject corporation" (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a special tax that is refundable in certain circumstances on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing such Resident Holder's taxable income.

Taxable dividends received or deemed to be received by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act.

### *Dispositions of Archer Shares*

Upon the disposition or deemed disposition of an Archer Share by a Resident Holder, the Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of the disposition, exceed (or are less than) the adjusted cost base of such Archer Share to the Resident Holder. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Resident Holders - Capital Gains and Losses*".

### *Capital Gains and Losses*

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Share may be reduced by the amount of dividends received or deemed to be received by it on such Share (or on a share for which the Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Shares, directly or indirectly, through a partnership or a trust.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) or a "substantive CCPC" (as defined in the Tax Proposals) may be liable to pay an additional



tax (refundable in certain circumstances) on its “aggregate investment income”, which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act.

### **Non-Resident Holders**

The following portion of this summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times, is not resident or deemed to be resident in Canada and does not use or hold (and is not deemed to use or hold) the Shares in connection with a business carried on in Canada (a “**Non-Resident Holder**”). This summary does not apply to a Non-Resident Holder that carries on an insurance business in Canada and elsewhere and such holders should consult their own tax advisors.

#### *Return of Capital*

The amount received by a Non-Resident Holder on the Return of Capital (being the fair market value of the Archer Shares received by the Resident Holder at the time the Distribution is effected) will not be subject to Canadian federal income tax but will reduce the adjusted cost base of the Common Shares held by the Non-Resident Holder. If the amount by which the adjusted cost base of the Common Shares is reduced were to exceed the Non-Resident Holder’s adjusted cost base of the Common Shares, such Non-Resident Holder would be deemed to have realized a capital gain in an amount equal to such excess from a disposition of such shares and the Non-Resident Holder’s adjusted cost base of the Common Shares would then be nil.

A Non-Resident Holder will not be subject to Canadian income tax under the Tax Act on any capital gain realized on any deemed disposition of a Common Share that results from the Return of Capital unless such Common Share constitutes “taxable Canadian property” (as defined by the Tax Act) to the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. See “*Non-Resident Holders – Taxable Canadian Property*”, below.

#### *Dividends on Shares*

Any dividends paid or credited, or deemed to be paid or credited, on the Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend or deemed dividend unless the rate is reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder’s country of residence. For instance, where the Non-Resident Holder is a resident of the United States that is entitled to full benefits under the *Canada-United States Income Tax Convention (1980)*, as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

#### *Dispositions of Archer Shares*

Upon the disposition or deemed disposition of an Archer Share by a Non-Resident Holder, the Non-Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of the disposition, exceed (or are less than) the adjusted cost base of such Archer Share to the Non-Resident Holder. The Archer Shares received by a Non-Resident Holder on the Distribution should have a cost to the Non-Resident Holder for tax purposes equal to the fair market value of such Archer Shares at the

time of receipt. In computing the adjusted cost base of the Archer Shares at any time, the averaging rules in the Tax Act will apply.

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition of an Archer Share, and may not recognize any capital loss realized, unless the Archer Share constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. See “*Non-Resident Holders – Taxable Canadian Property*”, below.

#### *Taxable Canadian Property*

Provided that the Common Shares and Archer Shares, as applicable, are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the TSX and the CSE) at a particular time, the Common Shares or Archer Shares, as applicable, generally will not constitute taxable Canadian property to a Non-Resident Holder at that time unless, at any time during the five year period immediately preceding that time: (i) 25% or more of the issued shares of any class or series of the capital stock of the Company or Archer, as applicable, were owned by any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) more than 50% of the value of the Common Shares or Archer Shares, as applicable, was derived, directly or indirectly, from one or any combination of (a) real or immovable property situated in Canada (b) “Canadian resource properties”, (c) “timber resource properties”, and (d) options in respect of, or an interest in, any such property (whether or not the property exists), all for purposes of the Tax Act. A Non-Resident Holder’s Common Shares or Archer Shares can also be deemed to be taxable Canadian property in certain circumstances set out in the Tax Act.

Non-Resident Holders whose Archer Shares or Common Shares may constitute taxable Canadian property should consult their own tax advisors.

#### **Archer Shares - Eligibility for Investment**

Based on the current provisions of the Tax Act, provided that the Archer Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE), the Archer Shares will be, on the date of the Distribution, qualified investments under the Tax Act at the time of their acquisition by a trust governed by a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), deferred profit sharing plan, registered disability savings plan (“RDSP”), registered education savings plan (“RESP”) or tax-free savings account (“TFSA”, and collectively with an RRSP, RRIF, RDSP and RESP, the “Registered Plans”), each as defined in the Tax Act.

Notwithstanding the foregoing, the holder, annuitant or subscriber (as the case may be) of a Registered Plan will be subject to a penalty tax in respect of the Archer Shares held in a Registered Plan if the Archer Shares are prohibited investments for the Registered Plan. An Archer Share will generally be a “prohibited investment” for a Registered Plan if the holder, annuitant or subscriber of the Registered Plan does not deal at arm’s length with Archer for the purposes of the Tax Act, or has a “significant interest” (as defined in subsection 207.01(4) the Tax Act) in Archer. Holders of a Registered Plan should consult their own tax advisors as to whether the Archer Shares will be a prohibited investment in their particular circumstances.

## ITEM 11. RISK FACTORS

Consummation of the transactions contemplated by the Stated Capital Reduction Resolution as set out in this Information Circular are subject to a number of risks. Shareholders should carefully consider the risks described below in evaluating whether or not to approve the Stated Capital Reduction Resolution.

### **Closing of the Transaction may be delayed, may be completed on different terms, or may not occur at all**

The completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the parties to the Asset Purchase Agreement. A substantial delay in satisfying these conditions precedent could delay the closing of the Transaction (or could result in the Transaction not being completed due to one or more conditions precedent not being satisfied). There is no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The Company and Archer each has the right to terminate the Asset Purchase Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Transaction will not be terminated before its completion. In the event that the Company does not complete the Transaction, the Distribution may not be completed.

### **The Board May Decide to Defer the Proposed Timing with the Return of Capital and/or the Distribution or Reduce the Stated Capital Reduction and Return of Capital**

Notwithstanding approval of the Stated Capital Reduction Resolution by the holders of Common Shares, and subject to the terms of the Asset Purchase Agreement, the Board will retain the discretion to defer acting on the Stated Capital Reduction Resolution or to reduce, revoke or abandon the Stated Capital Reduction and Return of Capital and/or the Distribution, without any further approval from the Shareholders, if it determines that such transactions are no longer in the best interests of the Company. As a result, the Board may in its sole discretion determine to, among other things, reduce the aggregate amount of the Stated Capital Reduction and Return of Capital and/or defer the proposed timing for the Return of Capital and/or the Distribution.

As well, the Board may not be permitted under the OBCA to reduce its stated capital (and therefore effect the Return of Capital portion of the Distribution) if there are reasonable grounds for believing that (a) the Company is or, after taking such action, would be unable to pay its liabilities as they become due; or (b) after the taking of such action, the realizable value of the Company's assets would be less than the aggregate of its liabilities. As of the date of this Information Circular, the Company does not have reasonable grounds to believe that (i) after giving effect to the Stated Capital Reduction, the Company would be unable to pay its liabilities as they become due or that the realizable value of the Company's assets would be less than the aggregate of its liabilities, and (ii) at the time at which the Board would declare the Distribution or at the time after which the Company would pay the Distribution, the Company would be unable to pay its liabilities as they become due or that the realizable value of the Company's assets would be less than the aggregate of its liabilities and its stated capital of all classes.

### **Amount and Timing of Return of Capital, Stated Capital Reduction and Distribution are Uncertain**

Following and subject to the completion of the Transaction, the Company intends to distribute such number of Archer Shares as would permit the Company to retain a 19.9% basic ownership interest in Archer, after giving effect to, among other things, the Financing, to holders of Common Shares by way of the Return of Capital. While the Company currently expects the Distribution to take place as soon as practicable after the completion of the Transaction and approval of the Stated Capital Reduction Resolution at the Meeting (but in any event not prior to the Closing or later than 60 days following the Closing), the timing of such Distribution will be determined by the Board and there can be no certainty, and the Company cannot provide any assurance, as to if, and when, such Distribution will take place.

The amount of Archer Shares expected to be received by each Shareholder of record on the Distribution Record Date in connection with the Distribution all as more particularly set forth herein, including the expected amount of Return of Capital to be received by each such Shareholder, has been calculated based on the issued and outstanding Common Shares as of the Record Date and in reliance on the representations, warranties and covenants of Archer concerning capitalization in the Asset Purchase Agreement, including without limitation representations and warranties of Archer concerning the number of Archer Shares and convertible securities issued and outstanding as of the date of the Asset Purchase Agreement and contemplated to be outstanding at Closing, and covenants providing that Archer may not issue further securities other than as specifically contemplated in the Asset Purchase Agreement other than with the prior written consent of Wallbridge. The actual amount of Archer Shares to be received by each Shareholder of record on the Distribution Record Date in connection with the Distribution will be an amount per Common Share equal to the aggregate amount of Archer Shares distributed pursuant to the Distribution divided by the number of Common Shares outstanding on the Distribution Record Date (including any Common Shares issued after the date hereof and prior to the Distribution Record Date), provided however that if, as a result of the Distribution, a shareholder would otherwise be entitled to a fraction of an Archer Share, no such fractional Archer Share will be distributed, and the aggregate number of Archer Shares that such Shareholder is entitled to will, if the fraction is less than one half of one Archer Share, be rounded down to the next closest whole number of Archer Shares, without any additional compensation, and if the fraction is at least one half of one Archer Share, be rounded up to one whole Archer Share.

#### **The Business of Archer is Subject to Risks**

The business of Archer is subject to risks. As the Distribution will be effected in reliance on an exemption from the prospectus requirements under applicable Canadian securities laws, in accordance with section 2.31 (“Dividends and Distributions”) of National Instrument 45-106 – *Prospectus Exemptions*, no prospectus will be provided to Shareholders in respect of the Archer Shares. Wallbridge can make no assurance as to the future value of the Archer Shares, which is not certain and may fluctuate. The performance of Archer’s business is subject to certain risks, including general economic, market and business conditions, volatility in market prices for mineral resources, risks related to the exploration for minerals, and current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility. This list is not exhaustive. Additional information relating to Archer is available under Archer’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on Archer’s website at <https://archerexploration.com>.

#### **Shareholders May Not be Able to Trade their Archer Shares**

The Archer Shares distributed to Shareholders pursuant to the Distribution will be subject to a statutory hold under applicable Canadian securities laws in accordance with section 2.5 of National Instrument 45-102 – *Resale of Securities*, and unless permitted under securities legislation, may not be traded before the date that is four months and a day after the date of the Closing. Shareholders are advised to consult their financial or legal advisors with respect to the tradability of the Archer Shares that they will receive pursuant to the Distribution.

#### **ITEM 12. OTHER MATTERS**

As of the date of this Information Circular, the Company and Management know of no business that will be presented for consideration at the Meeting other than the matters referred to above. If any other matter is properly brought before the Meeting for action by Shareholders, proxies returned to us will be voted in accordance with the judgment of the proxy holder.

### ITEM 13. ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Company's website at <http://www.wallbridgeminig.com>. Shareholders may contact the Company to request a copy of any such document free of charge. Financial information about the Company is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year.

Shareholders of the Company may request copies of the Company's financial statements and MD&A by mail at 129 Fielding Road, Lively, ON, P3Y 1L7 or by telephone at 1-705-682-9297 or by facsimile at 1-888-316-4156, or by email at [info@wallbridgeminig.com](mailto:info@wallbridgeminig.com).

### DIRECTORS' APPROVAL

The contents of this management information circular have been approved by the Board of the Company.

Dated as of September 7, 2022.

"Marz Kord"

Marz Kord  
Director, President and CEO  
Wallbridge Mining Company Limited

**Schedule “A”**  
**STATED CAPITAL REDUCUTION RESOLUTION**  
**Wallbridge Mining Company Limited**  
**(the “Company”)**

1. Wallbridge Mining Company Limited (the “**Company**”) is hereby authorized to reduce the stated capital account maintained by the Company in respect of the common shares in the capital of the Company (the “**Common Shares**”) pursuant to Section 34(1)(b) of the *Business Corporations Act* (Ontario) (the “**Stated Capital Reduction**”), for the purpose of distributing common shares of Archer Exploration Corp. (“**Archer Shares**”) to holders of Common Shares by way of a return of capital (the “**Return of Capital**”), in an amount equal to the aggregate fair market value of the Archer Shares distributed pursuant to the Return of Capital at the time of the Return of Capital, if, as and when determined by the board of directors of the Company, in its sole discretion, and the stated capital account in respect of the Common Shares shall be adjusted to reflect the Stated Capital Reduction, all as more particularly set forth in the management information circular of the Company dated September 7, 2022.
2. Notwithstanding that this special resolution has been approved by the holders of Common Shares, the board of directors of the Company is hereby authorized and empowered, at its sole discretion, to defer acting on this special resolution or to reduce, revoke or abandon (but not increase the aggregate amount of) the Stated Capital Reduction or Return of Capital prior to its being given effect without any further notice to or approval, ratification or confirmation by the holders of Common Shares.
3. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, agreements and instruments, and to perform or cause to be performed all such acts and things, as such officer or director shall determine to be necessary or desirable to give full effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the performing or causing to be performed of such other acts or things.





