

STRALAK RESOURCES INC.

STOCK OPTION PLAN

1. PURPOSE

The purpose of this stock option plan (the “**Plan**”) is to authorize the grant to Eligible Persons (as such term is defined below) of Stralak Resources Inc. (the “**Corporation**”) options to purchase common shares (“**Shares**”) of the Corporation’s capital and thus benefit the Corporation by enabling it to attract, retain and motivate Eligible Persons by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

2. DEFINITIONS

(a) “**Acceleration Event**” means

- (i) the acquisition by any “offeror” (as defined in the *Securities Act* (British Columbia)) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
- (ii) any consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities, or pursuant to which shares of the Corporation would be converted into cash, securities or other property, other than a merger of the Corporation in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;
- (iii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation;
- (iv) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation; or
- (v) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board of Directors of the Corporation, unless such election or appointment is approved by 50% or more of the Board of Directors in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened;

(2) “**Blackout Period**” has the meaning ascribed thereto in Section 8;

- (a) **“Board”** means the board of directors of the Corporation, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated;
- (b) **“Company”** means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (c) **“Consultant”** means an individual (other than a director, executive officer, Employee or Management Company Employee of the Corporation) or Company that:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate (as defined under applicable securities laws) of the Corporation, other than services provided in relation to a Distribution (as defined under applicable securities laws);
 - (ii) provides the services under a written contract between the Corporation or an Affiliate and an individual or the Company, as the case may be;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation;
 - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation; and
 - (v) does not engage in Investor Relations Activities;
- (d) **“Corporation”** means Stralak Resources Inc., and includes any successor corporation thereto;
- (e) **“CPP”** means Canadian Pension Plan.
- (f) **“CSE”** means the Canadian Securities Exchange;
- (g) **“Eligible Person”** means any executive officer or director, Employee, Management Company Employee, Consultant, Investor Relations Person of the Corporation or its subsidiaries;
- (h) **“Employee”** means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiaries under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiaries over the details and methods of work as an employee of the Corporation or its

subsidiaries, but for whom income tax deductions are not made at source,
or

- (iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its subsidiaries over the details and methods of work as an employee of the Corporation or its subsidiaries, but for whom income tax deductions are not made at source;
- (i) **“Exchanged Share”** means a security that is exchanged for a share in an Acceleration Event;
- (j) **“Exchanged Share Price”** means the product of the share to Exchanged Share ratio multiplied by the five day volume weighted average price of the Exchanged Shares on an exchange for the period ending one day prior to the effective time of the Acceleration Event, or, in the case of Exchanged Shares that are not listed or quoted for trading, the fair value of those Exchanged Shares, as determined by the Board, in its sole discretion, as of the day immediately preceding the effective time of the Acceleration Event;
- (k) **“Exercise Price”** has the meaning ascribed thereto in Section 7;
- (l) **“In-The-Money Amount”** means: (a) in the case of an Acceleration Event in which the holders of shares will receive only cash consideration, the difference between the exercise price of an option and the cash consideration paid per share pursuant to that Acceleration Event; (b) in the case of an Acceleration Event in which the holders of shares will receive Exchanged Shares, the difference between the exercise price of an option and the Exchanged Share Price; or (c) in the case of an Acceleration Event in which the holders of shares will receive cash consideration and Exchanged Shares per share, the difference between the exercise price of an option and the sum of the cash consideration paid per share plus the Exchanged Share Price;
- (m) **“Investor Relations Activities”** means activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (1) to promote the sale of products or services of the Corporation, or
 - (2) to raise public awareness of the Corporation,that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of

- (1) applicable securities laws, policies or regulations,
 - (2) the rules, and regulations of the stock exchange on which the Corporation's securities are listed or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 - (1) the communication is only through the newspaper, magazine or publication, and
 - (2) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the stock exchange on which the Corporation's securities are listed;
- (n) **"Investor Relations Person"** means a Person retained to provide Investor Relations Activities (as defined in CSE policies) and any director or officer whose roles and duties primarily consist of Investor Relations Activities;
- (o) **"Management Company Employee"** means an individual employed by a Person providing management services to the Corporation or its subsidiaries, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- (p) **"optioned shares"** has the meaning ascribed thereto in Section 9;
- (q) **"Person"** means a Company or individual;
- (r) **"Plan"** has the meaning ascribed thereto in Section 1;
- (s) **"related person"** means:
 - (i) a director or executive officer of the Corporation or its subsidiaries;
 - (ii) an associate (as defined under applicable securities laws) of a director or executive officer of the Corporation or its subsidiaries; or
 - (iii) a permitted assign (as defined under applicable securities laws) of a director or executive officer of the Corporation or its subsidiaries;
- (t) **"shares"** has the meaning ascribed thereto in Section 1;
- (u) **"subsidiary"** means a corporation which is a subsidiary of the Corporation, as defined under the *Securities Act* (British Columbia); and

(v) “**TSXV**” means the TSX Venture Exchange;

For the purposes of the forgoing, a Company is an “**Affiliate**” of another Company if: (i) one of them is the subsidiary of the other; or (ii) each of them is controlled by the same Person.

3. **ADMINISTRATION**

The Plan shall be administered by the Board or a committee established by the Board for that purpose. Subject to approval of the granting of options by the Board, the Corporation shall grant options under the Plan.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

4. **SHARES SUBJECT TO PLAN**

Subject to adjustment under the provisions of Section 15 hereof, the aggregate number of shares of the Corporation which may be available for issuance under the Plan will not exceed such number of shares as is equal to 10% of the total number of shares of the Corporation issued and outstanding from time to time.

If any option expires or otherwise terminates for any reason without having been exercised in full, the number of shares in respect of which the option was not exercised shall be available for the purposes of the Plan. Any exercises of options will make new grants available under the Plan, effectively resulting in a re-loading of the number of options available for grant under the Plan.

The Corporation shall not, upon the exercise of any option, be required to issue or deliver any shares prior to, as applicable, (a) the admission of such shares to listing on any stock exchange on which the Corporation’s shares may then be listed, and (b) the completion of such registration or other qualification of such shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee.

5. **ELIGIBILITY**

Options shall be granted only to Eligible Persons, any registered savings plan established by an Eligible Person or any Company wholly-owned by an Eligible Person.

For options granted to Employees, Consultants, Management Company Employees or Investor Relations Persons, the Corporation must represent that the optionee is a *bona fide* Employee, Consultant, Management Company Employee or Investor Relations Person as the case may be. Subject to the foregoing, the Board shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

6. LIMITS WITH RESPECT TO INVESTOR RELATIONS PERSONS

If, and so long as, the Corporation is listed on the CSE, the aggregate number of shares of the Corporation issued or issuable to persons providing “Investor Relations Activities” (as defined in CSE policies) as compensation within a 12-month period, shall not exceed 1% of the total number of shares then outstanding.

7. EXERCISE PRICE

The exercise price (the “**Exercise Price**”) for the shares of the Corporation under each option shall be determined by the Board and shall not be less than the fair market value of the shares on the date of grant of the option (referred to herein as the “market price”). The “market price” of the shares of the Corporation shall mean the prior trading day closing price of the shares of the Corporation on any stock exchange on which the shares are listed or last trading price on the prior trading day on any dealing network where the shares trade, and where there is no such closing price or trade on the prior trading day, “market price” shall mean the average of the daily high and low board lot trading prices of the shares of the Corporation on any stock exchange on which the shares are listed or dealing network on which the shares of the Corporation trade for the five (5) immediately preceding trading days. Notwithstanding the foregoing, in the event that shares are listed on the CSE, the exercise price shall not be lower than the greater of the closing of the market price of the shares on (a) the prior trading day, and (b) the date of grant of the options. In the event the shares are listed on the TSXV, the price may be the market price less any discounts from the market price allowed by the TSXV, subject to the minimum exercise price allowed by the TSXV. In the event the shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the Board. The approval of disinterested shareholders will be required for any reduction in the Exercise Price of a previously granted option to a related person of the Corporation.

8. TERM OF OPTIONS

Subject to the provisions of this Section 8 and Sections 10, 12 and 13 below, the period within which an option may be exercised shall be determined by the Board at the time of granting the options provided, however, that all options shall not be granted for a term exceeding ten years from the date of the option grant.

Notwithstanding the foregoing, in the event that the expiry date of an option falls within a trading blackout period imposed by the Corporation (a “**Blackout Period**”), and neither the Corporation nor the individual in possession of the options is subject to a cease trade order in respect of the Corporation’s securities, then the expiry date of such option shall be automatically extended to the 10th business day following the end of the Blackout Period.

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.

9. EXERCISE OF OPTIONS

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its head office a written notice of exercise specifying the number of shares with respect to which the option is being exercised (the “**optioned shares**”) and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the shares then being purchased. Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares in the name of such optionee or the optionee’s legal personal representative or as may be directed in writing by the optionee’s legal personal representative. Certificates for such optioned shares shall be issued and delivered to the optionee within a reasonable time following the receipt of such notice and payment. Except as provided in Sections 10, 12 and 13 below, no option which is held by a service provider may be exercised unless the optionee is then a service provider for the Corporation.

10. **VESTING RESTRICTIONS**

Options issued under the Plan may vest and become exercisable at the discretion of the Board provided that if required by any stock exchange on which the shares of the Corporation trade: (i) any options granted at an Exercise Price calculated as an allowable discount to the applicable market price shall contain such vesting restrictions as may be required by such stock exchange; and (ii) any options granted to an Investor Relations Person must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the aggregate number of options granted vesting in any single three month period.

11. **EVIDENCE OF OPTIONS**

Each option granted under the Plan shall be embodied in a written option agreement, substantially in the form attached hereto as Exhibit A, issued by the Corporation to the optionee which shall give effect to the provisions of the Plan.

12. **CESSATION OF PROVISION OF SERVICES**

Subject to Section 13 below, if any optionee ceases to be an Eligible Person of the Corporation for any reason, other than as a result of having been dismissed for cause or as a result of the optionee’s death, such optionee shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such optionee, if earlier) from the date of ceasing to be an Eligible Person to exercise the options of such optionee, to the extent they were exercisable on the date of ceasing to be an Eligible Person, subject to extension by the Board to a maximum of one year with approval from the stock exchange on which the shares of the Corporation trade where required. Upon the expiration of such 90-day (or one year) period all unexercised options of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of option granted to such optionee under the Plan.

If an optionee ceases to be either an Eligible Person as a result of having been dismissed from any such position for cause, all unexercised options of that optionee under the Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such optionee under the Plan.

If an optionee engaged in providing Investor Relations Activities to the Corporation ceases to be employed in providing such Investor Relations Activities, such optionee shall have the right for a period of 30 days (or until the normal expiry date of the option rights of such optionee, if earlier) from the date of ceasing to provide such Investor Relations Activities to exercise the

options of such optionee under the Plan, to the extent they were exercisable on the date of ceasing to provide such Investor Relations Activities. Upon the expiration of such 30-day period all unexercised options of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such optionee under the Plan.

13. DEATH OF OPTIONEE

In the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall vest and be exercisable within, but only within, the period of one year next succeeding the optionee's death (unless such period is extended by the Board with approval from the stock exchange on which the shares of the Corporation trade where required) or until the normal expiry date of the option rights of such optionee, if earlier.

14. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION

An option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

15. ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under the Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price of the options of a related person of the Corporation, the Corporation will be required to obtain approval from disinterested shareholders.

16. NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL SHARES OR ASSETS

If at any time when an option granted under this Plan remains unexercised with respect to any optioned shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or
- (b) a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the Board has determined that no adjustment shall be made pursuant to Section 15 hereof, (i) the Board may permit the optionee to exercise the option granted under this Plan, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the Board may require the acceleration of the time for the exercise of the said option and of the time for the fulfilment of any conditions or restrictions on such exercise. For greater certainty, upon an Acceleration Event, optionees shall

not be treated any more favourably than shareholders with respect to the consideration that the optionees may be entitled to receive for their shares.

Further, the Board, in its sole discretion, may authorize and implement any one or more of the following additional courses of action in the event of an Acceleration Event:

- (a) terminating without any payment or other consideration, any options not exercised or surrendered by the effective time of the Acceleration Event;
- (b) causing the Corporation to offer to acquire from each optionee his or her options for a cash payment equal to the In-The-Money Amount, and any options not so surrendered or exercised by the effective time of the Acceleration Event will be deemed to have expired; and
- (c) an option granted under the Plan be exchanged for an option to acquire, for the same aggregate consideration, that number and type of securities as would be distributed to the optionee in respect of the shares issued to the optionee had he or she exercised the option prior to the effective time of the Acceleration Event, provided that any such replacement option must provide that it survives for a period of not less than one year from the effective time of the Acceleration Event, regardless of the continuing directorship, officership or employment of the optionee.

For greater certainty, and notwithstanding anything else to the contrary contained in the Plan, the Board shall have the power, in its sole discretion, in any Acceleration Event which may or has occurred, to make such arrangements as it shall deem appropriate for the exercise of outstanding options including, without limitation, to modify the terms of the Plan and/or the options as contemplated above. If the Board exercises such power, the options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the optionee at any time or from time to time as determined by the Board prior to or in conjunction with completion of the Acceleration Event.

17. EMPLOYMENT

Nothing contained in the Plan shall confer upon any optionee any right with respect to employment or continuance of employment with the Corporation or any subsidiary, or interfere in any way with the right of the Corporation, or any subsidiary, to terminate the optionee's employment at any time. Participation in the Plan by an optionee is voluntary.

18. NO SHAREHOLDER RIGHTS PRIOR TO EXERCISE

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

19. TAX MATTERS

The Corporation shall have the power and the right to deduct or withhold, or require an optionee to remit to the Corporation, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable

event arising as a result of the Plan, including the grant or exercise of any option granted under the Plan. With respect to any required withholding, the Corporation shall have the irrevocable right to, and the optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the optionee (whether arising pursuant to the optionee's relationship as a director, officer, employee or consultant of the Corporation or otherwise), or may make such other arrangements that are satisfactory to the optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of shares issuable upon exercise of the options as it determines are required to be sold by the Corporation, as trustee, to satisfy any withholding obligations net of selling costs. The optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such shares issuable upon exercise of the options and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such shares issuable upon exercise of the options

20. AMENDMENT AND TERMINATION OF THE PLAN

Subject to any requisite shareholder and regulatory approvals, the Board may at any time amend or terminate the Plan.

21. EFFECTIVE DATE OF THE PLAN

The Plan becomes effective on the date of its approval by the Board.

22. GOVERNING LAW

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province and shall be in accordance with all applicable securities laws.

EXHIBIT A

STRALAK RESOURCES INC.

OPTION AGREEMENT

Notice is hereby given that effective the ____ day of _____ (the "**Effective Date**"), Stralak Resources Inc. (the "**Corporation**") has granted to _____, an option to acquire _____ common shares ("**Shares**") exercisable up to 5:00 p.m. Toronto Time on the _____ day of _____ (the "**Expiry Date**") at an exercise price of Cdn. \$_____ per Share.

The Shares may be acquired as follows:

[Insert vesting terms]

The grant of the option evidenced hereby is made subject to the terms and conditions of the Corporation's Stock Option Plan, the terms and conditions of which are hereby incorporated herein.

To exercise your option, deliver a written notice specifying the number of Shares you wish to acquire, together with cash or a certified cheque payable to the Corporation for the aggregate exercise price, to the Corporation. A certificate for the Shares so acquired will be issued by the Corporation as soon as practicable thereafter.

Stralak Resources Inc.

Authorized Signatory