



**QUINSAM CAPITAL CORPORATION**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON NOVEMBER 27, 2024**

Dated October 18, 2024

## QUINSAM CAPITAL CORPORATION

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual general meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Quinsam Capital Corporation (the “**Corporation**”) will be held at 110 Yonge Street, Suite 1601, Toronto, Ontario M5C 1T4 on November 27, 2024 at 11:30 a.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2023 and the report of the auditors thereon;
2. to appoint MNP LLP as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Corporation for the ensuing year;
4. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular (“**Circular**”).

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is October 18, 2024 (the “**Record Date**”). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

**Shareholders are strongly encouraged to vote by proxy instead of attending the Meeting in person and to vote on the matters before the Meeting by submitting their proxy in advance of the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular accompanying this Notice.**

#### **Voting**

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.** To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Attn: Proxy Department, Fax: 1.866.249.7775, prior to the proxy deadline, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof. Registered Shareholders shall also have the option to vote by telephone or via the internet, as more particularly described in the Circular. Information on how non-registered (or beneficial) Shareholders may cast their vote is also described in greater detail in the Circular.

DATED this 18<sup>th</sup> day of October, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Roger Dent”*

Roger Dent  
Chief Executive Officer and Director

## GENERAL INFORMATION RESPECTING THE MEETING

### Solicitation of Proxies

This management information circular (this “Circular”) is furnished in connection with the solicitation of proxies by the management of Quinsam Capital Corporation (the “Corporation”) for use at the annual general meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Corporation to be held at 11:30 a.m. (Toronto time) on November 27, 2024 at 110 Yonge Street, Suite 1601, Toronto, Ontario, M5C 1T4 for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders. References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

The board of directors of the Corporation (the “Board”) has fixed the close of business on October 18, 2024 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the “Record Date”). All duly completed and executed proxies must be received by the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. (“Computershare”), Attn: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Fax: 1.866.249.7775 or Tel: 1.866.732.8683 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

**Shareholders are strongly encouraged to vote by proxy instead of attending the Meeting in person and to vote on the matters before the Meeting by submitting their proxy in advance of the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in this Circular.**

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of October 18, 2024.

### Voting of Proxies

The common shares in the capital stock of the Corporation (“Common Shares”) represented by the accompanying form of proxy (if same is properly executed and is received at the offices of Computershare at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual General Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### *How to Vote – Registered Shareholders*

#### *By Proxy*

1. By telephone • 1.866.732.VOTE(8683)
2. On the internet • [www.investorvote.com](http://www.investorvote.com)

3. By mail • Computershare Investor Services Inc., 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1
4. By fax • 1.866.249.7775
5. You may appoint another person or company as your proxyholder to go to the Meeting and vote your Common Shares for you. This person does not have to be a Shareholder but must attend the Meeting.

The vote at the Meeting may be conducted by show of hands or by ballot.

### **Appointment of Proxies**

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Computershare, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

### **Revocation of Proxies**

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Computershare, 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Computershare at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### **Voting by Non-Registered Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-

Registered Shareholder are registered either: (i) in the name of an intermediary (“**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Annual General Meeting of Shareholders, this Circular, the form of proxy and a request card for interim and annual materials (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders. The Corporation does not intend to pay for the delivery of the Meeting Materials to objecting Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting;** or
- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare at the address provided herein.

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

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

## ***How to Vote – Beneficial Shareholders***

### *By voting instruction form*

1. Your nominee is required to ask for your voting instructions before the Meeting, and you should contact your nominee if you did not receive a request for voting instructions or a proxy form with this Circular.
2. As noted above, in most cases, you will receive a voting instruction form from your nominee, and you should provide your voting instructions in accordance with the directions on the form.
3. Less frequently, you will receive a proxy form signed by the nominee that is restricted as to the number of Common Shares beneficially owned by you but is otherwise incomplete. If you receive a proxy form, you should complete and return it in accordance with the directions on the proxy form to the Corporation, c/o Computershare Investor Services Inc., 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Fax: 1.866.249.7775.
4. To be valid for use at the Meeting, voting instruction forms and proxies must be received before 11:30 a.m. (Toronto time), November 25, 2024.

### *In person at the Meeting*

1. The Corporation does not have access to the names or holdings of “objecting beneficial” owners of Common Shares.
2. Beneficial Shareholders can only vote shares in person at the Meeting if appointed as the proxyholder (you can do this by printing your name in the space provided on the voting instruction form provided by your nominee and submitting and returning it as directed on the form).
3. If appointed as proxyholder, a beneficial Shareholder will be asked to register his or her attendance at the Meeting and may vote at the Meeting on votes conducted by show of hands or by ballot.

**We highly recommend Shareholders vote their Common Shares prior to the Meeting.**

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation’s last financial year, each proposed nominee for election as a director of the Corporation, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. As at the date hereof, there are 92,341,106 Common Shares issued and outstanding and nil preferred shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation’s transfer agent, Computershare, within the time specified in the attached Notice of Annual General Meeting of Shareholders, to attend and to vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Corporation.

## EXECUTIVE COMPENSATION

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's Chief Executive Officer, Chief Financial Officer, and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Corporation whose total compensation for the most recently completed financial year was individually equal to more than \$150,000 (the "NEOs" or "Named Executive Officers"), during the Corporation's most recently complete financial year, being the financial year ended December 31, 2023 (the "Last Financial Year"). The NEOs of the Corporation during the Last Financial Year were Roger Dent, the Chief Executive Officer and a Director of the Corporation, and Keith Li, the Chief Financial Officer of the Corporation.

### ***Compensation & Corporate Governance Committee***

The compensation & corporate governance committee ("**Compensation & Corporate Governance Committee**") is currently comprised of three directors, namely Ross Geddes (Chairman), Roger Dent and Eric Szustak. Messrs. Geddes and Szustak are independent within the meaning of Canadian Securities Administrator's National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). Mr. Dent is not independent as he is an officer of the Corporation and thereby has a "material relationship" with the Corporation.

The Compensation & Corporate Governance Committee's purpose is, among other things, to: (i) review and make recommendations to the Board at least annually regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans (including the Corporation's incentive stock option plan) and grants, and benefit plans; (ii) have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention; (iii) review and approve at least annually all compensation arrangements with the senior executives of the Corporation; (iv) review and approve at least annually all compensation arrangements with the directors of the Corporation; and (v) review the executive compensation sections disclosed in the Corporation's management proxy circular distributed to the Shareholders in respect of the Corporation's annual meetings of Shareholders.

### ***Compensation Process***

The Board relies on the knowledge and experience of the directors thereon and the members of the Compensation & Corporate Governance Committee to set appropriate levels of compensation for senior officers. Neither the Corporation nor the Board, nor the Compensation & Corporate Governance Committee, currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer compensation.

The Compensation & Corporate Governance Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, consulting fees and prior awards under the Corporation's stock option plan) and recommends to the Board the NEOs' compensation packages. The Compensation & Corporate Governance Committee's recommendations regarding NEO compensation are presented to the independent members of the Board for their consideration and approval.

### ***Principles / Objectives of the Compensation Program***

The primary goal of the Corporation's executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation's senior officers is determined with regard to the Corporation's business strategy and objectives and financial resources, and with the view of aligning the financial interests of the senior officers with the financial interests of the Shareholders of the Corporation.



## ***Compensation Program Design and Analysis of Compensation Decisions***

Standard compensation arrangements for the Corporation's senior officers are composed of the following elements, which are linked to the Corporation's compensation and corporate objectives as follows:

<b>Compensation Element</b>	<b>Link to Compensation Objectives</b>	<b>Link to Corporate Objectives</b>
Base Salary and/or Consulting Fees	<i>Attract and Retain</i>	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Stock Options	<i>Motivate and Reward Align interests with Shareholders</i>	Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.
Annual Incentive Bonus	<i>Motivate and Reward Align interests with Shareholders</i>	Bonus payments in cash or deferred share units incentivize senior officers to increase shareholder value by meeting investment targets and reaching corporate objectives.

### ***Performance and Compensation***

The Board did not establish any quantifiable criteria during the Last Financial Year with respect to base compensation payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

#### ***Base Salaries and Consulting Fees***

The Corporation reviews on an ongoing basis the appropriate compensation package for senior officers with the aim of providing base salaries or consulting fees which represent their minimum compensation for services rendered or expected to be rendered. NEOs' base compensation will depend on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices competitiveness, and the Corporation's existing financial resources. Base salaries will be reviewed annually by the Compensation & Corporate Governance Committee. During the year ended December 31, 2023, the Compensation & Corporate Governance Committee and the Board decided it would be in the best interests of the Corporation and its Shareholders to provide base salaries, payable quarterly to Roger Dent and monthly to Keith Li, to compensate senior officers for their ongoing contributions to the Corporation. Roger Dent, the Chief Executive Officer and a Director of the Corporation, currently receives a base monthly salary of \$10,417, and Keith Li of Blueknight Advisory Services Inc., a former employee of Branson Corporate Services Ltd., with which the Corporation had an agreement for CFO services which was terminated on June 30, 2024, receives a monthly consulting fee of \$6,000.

#### ***Bonuses***

The Corporation may, in its discretion, award annual incentives by way of cash bonuses in order to motivate executives to achieve short-term corporate goals and encourage continued high standards of performance. The success of NEOs in achieving their individual objectives and their contributions to the Corporation in reaching its overall goals are factors in the determination of their annual bonus. The Board has adopted a "bonus pool" whereby senior officers and directors may receive bonus awards calculated at 5% of net investment income, on an annual basis, payable in cash or equity incentive securities of the Corporation. Neither Roger Dent, the Chief Executive Officer and a Director of the Corporation, nor Eric Szustak, the Chairman and a Director of the Corporation, were granted any bonus awards during the Last Financial Year.

The Compensation & Corporate Governance Committee determines target amounts based on a number of factors, including comparable compensation of similar companies. Each NEO may receive an annual incentive amount set by the Compensation & Corporate Governance Committee, depending on the assessment of such NEO's overall performance by the Compensation & Corporate Governance Committee and the Board.

The Board relies heavily on the recommendations of the Compensation & Corporate Governance Committee in

granting annual incentives. However, the Board reserves ultimate discretion in determining whether each NEO has met his or her targets, and has the right make positive or negative adjustments to any annual incentive payment recommended by the Compensation & Corporate Governance Committee that it deems appropriate.

#### *Stock Option Plan*

The Corporation adopted an incentive stock option plan dated April 20, 2004, which was amended effective November 23, 2006 (the “**Stock Option Plan**” or the “**Option Plan**”). Shareholders ratified and approved the Stock Option Plan on June 29, 2007. Shareholders last approved the Stock Option Plan on December 13, 2023. The Stock Option Plan, together with the DSU Plan (as defined below), are the Corporation’s only equity compensation plans approved by Shareholders. The total number of stock options that may be granted together with outstanding options and DSUs cannot exceed 10% of the total number of Common Shares issued and outstanding. As of the date of this Circular, the Corporation has 4,294,111 options outstanding to purchase Common Shares.

The Stock Option Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance thereunder. The exercise price of each option may not be less than the market price of the Common Shares as calculated on the date of grant less an applicable discount. The options can be granted for a maximum term of five (5) years and vesting periods are determined by the Board. The purpose of the Stock Option Plan is to advance the interests of the Corporation by (i) providing certain employees, officers, directors or consultants of the Corporation (collectively, the “**Optionees**”) with additional performance incentives; (ii) encouraging Common Share ownership by the Optionees; (iii) increasing the proprietary interest of the Optionees in the success of the Corporation; (iv) encouraging the Optionees to remain with the Corporation; and (v) attracting new employees, officers, directors and consultants to the Corporation.

The grant of options pursuant to the Stock Option Plan is an integral component of the compensation arrangements of the senior officers of the Corporation. The Board believes that the grant of options to senior officers and Common Share ownership by such officers serves to motivate such officers to strive towards achievement of the Corporation’s long-term strategic objectives, which will benefit all Shareholders. Options may be awarded to employees of the Corporation by the Board. Decisions with respect to options granted are based upon the individual’s level of responsibility and their contribution towards the Corporation’s goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Board considers the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size of such grants.

The full text of the Option Plan is attached hereto as Appendix “B”.

#### *DSU Plan*

The Corporation’s deferred share unit plan dated April 29, 2019 (the “**DSU Plan**”), was ratified and approved by the Shareholders on June 25, 2019. The Shareholders last approved the Corporation’s deferred share unit plan on December 13, 2023. The DSU Plan is designed to promote the alignment of interests among employees, directors, officers and Shareholders of the Corporation. The Compensation & Corporate Governance Committee is responsible for administering the DSU Plan, subject to the overriding authority of the Board to make all determinations and take all other actions in connection with or in relation to the DSU Plan as it may deem necessary or advisable. The following summary is subject to the specific provisions of the DSU Plan.

Employees, directors and officers (the “**Participants**”, and each a “**Participant**”) are eligible to participate in the DSU Plan. A DSU issued under the DSU Plan is a bookkeeping entry representing a future right to receive one Common Share in accordance with the terms of the DSU Plan. As of the date of this Circular, the Corporation has 3,701,244.05 DSUs outstanding redeemable for Common Shares.

The aggregate number of Common Shares that may be reserved for issuance, at any time, under the DSU Plan and under any other security-based compensation arrangement adopted by the Corporation, including the Corporation’s Stock Option Plan, shall not exceed 10% of the total amount of Common Shares of the Corporation issued and outstanding as at the date of issuance of an incentive security. As of the date hereof, an aggregate of 92,341,106

Common Shares were issued and outstanding, and there are 3,701,244.05 outstanding deferred share units (“DSUs”) under the DSU Plan. Accordingly, there are 5,532,866.55 DSUs remaining eligible for issuance under the DSU Plan.

Subject to applicable income tax and other withholdings as required by law, the value of the vested DSUs redeemed by or in respect of a Participant may be paid to the Participant, at the election of the Participant, in the form of Common Shares. Any vesting conditions (which may include time restrictions, performance conditions or a combination of both) for DSUs shall be determined by the Compensation & Corporate Governance Committee in advance of any grants. The Board may also, in its sole and absolute discretion, accelerate and/or waive any vesting or other conditions for all or any DSUs for any Participant at any time and from time to time.

Upon the occurrence of a Change of Control (as such term is defined in the DSU Plan), all of a Participant’s unvested DSUs will automatically become vested DSUs on the date such change of control occurs and all of such Participant’s vested DSUs will be redeemed in accordance with the terms of the DSU Plan in a manner that allows the Participant to participate in such Change of Control only if it is completed prior to the date of an event of termination (if any), as determined by the Board in its sole discretion.

If the number of outstanding Common Shares of the Corporation shall be increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Common Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number of DSUs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole and absolute discretion and all such adjustments shall be conclusive and binding for all purposes under the DSU Plan.

Whenever cash dividends or distributions are paid on the Common Shares, additional DSUs may be credited to the Participant’s DSU Account (as such term is defined in the DSU Plan). The number of such additional DSUs will be calculated by dividing the aggregate dividends or distributions that would have been paid to such Participant, if the DSUs in the Participant’s DSU Account had been Common Shares, by the market price of the Common Shares on the date on which the dividends or distributions were paid on the Common Shares.

The Board reserves the right, in its absolute discretion, to amend, suspend or terminate the DSU Plan, or any portion thereof, at any time without obtaining Shareholder approval, subject to those provisions of applicable law and regulatory requirements (including the rules, regulations and policies of the CSE), if any, that require Shareholder approval.

The full text of the DSU Plan is attached hereto as Appendix “C”.

### ***Compensation Risk Considerations***

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Corporation believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Corporation does not have a policy in place which prohibits NEOs or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, the Compensation Committee will continue to monitor whether such a policy should be adopted by the Corporation and provide such recommendations to the Board as needed.

Base salaries are fixed in amount and thus do not encourage risk taking. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the Compensation Committee) and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Compensation Committee.

Stock option awards are important to further align employees’ interests with those of the Shareholders. The ultimate value of the awards is tied to the Corporation’s stock price and since awards are staggered and subject to long-term

vesting schedules, they help ensure that NEOs have significant value tied to the Corporation's long-term stock price performance.

### **Summary Compensation Table**

The following tables provides information for the Last Financial Year and the years ended December 31, 2022 and December 31, 2021 regarding compensation earned by each of the following NEOs:

Name and principal position	Year Ended December 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Roger Dent <i>Chief Executive Officer</i>	2023	135,000	Nil	Nil	Nil	Nil	Nil	Nil	135,000
	2022	135,000	17,247	Nil	Nil	Nil	Nil	Nil	152,247
	2021	128,500	14,740	139,799 <sup>(1)</sup>	Nil	Nil	Nil	Nil	283,039
Keith Li <sup>(2)</sup> <i>Chief Financial Officer</i>	2023	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
	2022	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
	2021	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000

**Notes:**

- (1) On May 31, 2021, the Corporation granted 2,240,000 options to a number of directors and officers with an exercise price of \$0.19 and an expiry date of May 31, 2026, of which Mr. Dent received 1,500,000 options. The options vested immediately on grant and were measured at fair value at the date of grant using the Black-Scholes valuation model with the following assumptions: expected volatility of 100%, expected dividend yield of 2.70%, risk-free interest rate of 0.90% and an expected remaining life of 5 years.
- (2) Mr. Li was formerly employed through Branson Corporate Services Ltd. up to June 30, 2024, which was party to a management services agreement, providing for Chief Financial Officer services to the Corporation, as well as other accounting and administrative services.

### **Incentive Plan Awards**

The following tables provide information regarding the incentive plan awards for each NEO outstanding as of December 31, 2023.

## Outstanding Share Awards and Option Awards

Name	Option-based Awards				Share-based Awards		
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Roger Dent	1,675,000	0.13	August 25, 2025	Nil	Nil	Nil	Nil
	1,500,000	0.19	May 31, 2026	Nil	Nil	Nil	Nil
Keith Li	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Note:

- (1) Calculated based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the CSE on December 31, 2023 of \$0.055.

## Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Roger Dent	Nil	Nil	Nil
Keith Li	Nil	Nil	Nil

Notes:

- (1) Based on the number of options that vested during the Last Financial Year and calculated based on the difference between the market price of the Common Shares on the CSE and the exercise price of the options on the vesting date. Any unexercised options may never be exercised and an actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

## Pension Plan Benefits

As at the date of this Circular, the Corporation does not have any pension plans.

## Termination and Change of Control Benefits

As at the date of this Circular, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Corporation in the event of the resignation, retirement or other termination of the NEO's employment with the Corporation, change of control of the Corporation or a change in the NEO's responsibilities following a change in control.

## Director Compensation

The Board determines the level of compensation for directors based on recommendations from the Compensation & Corporate Governance Committee. The Board reviews directors' compensation as needed, taking into account time commitment, risks and responsibilities to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

The Board has adopted a cash compensation program for its directors with respect to general director's duties, meeting attendance and for additional service on Board committees. Since July 1, 2021, directors receive a base fee of \$1,350

on a monthly basis, with members of the Audit Committee earning an additional \$400 per month and members of the Compensation & Corporate Governance Committee receiving an additional \$300 per month. Directors' compensation is reviewed on an annual basis by the Board, with any changes based on the recommendation of the Compensation & Corporate Governance Committee. Directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or Shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

Directors may receive equity incentive grants determined by the Board pursuant to the Corporation's incentive stock option plan and DSU Plan. The exercise price of options is determined by the Board but shall in no event be less than the market price of the Common Shares at: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.

### Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's directors, other than the NEOs, during the Last Financial Year:

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Eric Szustak	38,000	Nil	Nil	N/A	N/A	N/A	38,000
Ross Geddes	19,800	Nil	Nil	N/A	N/A	N/A	19,800
Anthony Roodenburg	21,000	Nil	Nil	N/A	N/A	N/A	21,000
Susan Lambie	16,200	Nil	Nil	N/A	N/A	N/A	16,200

Notes:

- (1) Mr. Dent is a director and a Named Executive Officer. Any compensation received by him in his capacity as director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.

### Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding as of December 31, 2023:

### Outstanding Share Awards and Options Awards

Name <sup>(1)</sup>	Option-based Awards				Share-based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Eric Szustak	375,000	0.13	August 25, 2025	Nil	Nil	Nil	Nil
	340,000	0.19	May 31, 2026	Nil	Nil	Nil	Nil
Ross Geddes	225,000	0.13	August 25, 2025	Nil	Nil	Nil	Nil
	200,000	0.19	May 31, 2026	Nil	Nil	Nil	Nil

Anthony Roodenburg	225,000 200,000	0.13 0.19	August 25, 2025 May 31, 2026	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Susan Lambie	200,000	0.10	May 31, 2027	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Dent is a director and a Named Executive Officer. Any compensation received by him in his capacity as director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Calculated based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the CSE on December 31, 2023 of \$0.055.

The following table provides information regarding the value vested or earned on incentive plan awards for each director during the Last Financial Year:

**Incentive Plan Awards – Value Vested or Earned During the Year**

Name <sup>(1)</sup>	Option awards – Value vested during the year (\$) <sup>(2)</sup>	Share awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Eric Szustak	Nil	Nil	Nil
Ross Geddes	Nil	Nil	Nil
Anthony Roodenburg	Nil	Nil	Nil
Susan Lambie	Nil	Nil	Nil

Notes:

- (1) Mr. Dent is a director and a Named Executive Officer. Any compensation received by him in his capacity as director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Based on the number of options that vested during the Last Financial Year and Calculated Based on the difference between the market price of the Common Shares on the CSE and the exercise price of the options on the vesting date. Any unexercised options may never be exercised and an actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

***Equity Compensation Plan Information***

The following table provides details of the equity securities of the Corporation authorized for issuance as of the Last Financial Year pursuant to the Corporation's equity compensation plans currently in place:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup>
Equity compensation plans approved by securityholders	8,641,244	0.16	803,266

Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	8,641,244 <sup>(2)</sup>	NA	NA

Notes:

- (1) Based on a total of 4,940,000 stock options and 3,701,244.05 DSUs issuable pursuant to the Stock Option Plan and DSU Plan as at December 31, 2023.
- (2) Representing approximately 9.1% of the issued and outstanding Common Shares as of December 31, 2023.

## MATTERS TO BE ACTED UPON

### **Financial Statements**

The Corporation's audited annual financial statements for the Last Financial Year and the report of the auditors thereon will be placed before Shareholders at the Meeting, but no vote thereon is required. These documents are available upon request from the Corporation and they can also be found under the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Appointment of Auditors**

MNP LLP ("MNP") are the independent registered certified auditors of the Corporation. MNP was first appointed as auditors of the Corporation on January 7, 2014. Management of the Corporation intends to nominate MNP for re-appointment as auditors of the Corporation.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint MNP to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment of MNP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.**

### **Election of Directors**

At the Meeting, the following three (3) persons named hereunder will be proposed for election as directors of the Corporation. Each of the nominees are incumbent directors. Roger Dent and Anthony Roodenburg, also incumbent directors, will not be seeking re-election at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause.

The election of directors at the Meeting will be governed by the new majority voting requirements under the *Canada Business Corporations Act* (the "CBCA"), which took effect in August 2022. These require that in an uncontested election of directors, such as the one planned for the meeting, a nominee must receive a majority of the total votes cast in favour of their election in order to be elected as a director. If a nominee fails to receive that level of support, they will not be elected, though they may continue to serve up to 90 days after the election.

Shareholders have the option to vote for or against each of the nominees in the table below. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy**



**are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.**

The following table, among other things, sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them.

<b>Name, Province or State and Country of Residence</b>	<b>Date First Became a Director</b>	<b>Present Principal Occupation and/or Positions Held During the Preceding Five Years</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised<sup>(1)</sup></b>
Eric Szustak <i>Ontario, Canada</i>	June 27, 2013	Chairman and Corporate Secretary of the Corporation.	1,014,500
Ross Geddes <sup>(3)</sup> <i>Ontario, Canada</i>	June 24, 2015	Finance Professor at Sheridan College (2005 – Present).	100,000
Susan Lambie <i>Ontario, Canada</i>	November 26, 2021	Director of the Corporation.	7,000,000 <sup>(2)</sup>

Notes:

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Corporation and has been furnished by the respective individuals.
- (2) A related person to Ms. Susan Lambie, Roger Dent, CEO of the Corporation, is the beneficial holder of 5,247,500 Common Shares. 783,000 Common Shares not included in this figure are controlled by Mr. Dent and beneficially owned by Theresa Dent. By virtue of Ms. Lambie and Mr. Dent being related persons, Mr. Dent and Ms. Lambie may be considered to exercise direction and control over an aggregate total of 13,030,500 Common Shares, which number includes 5,247,500 Common Shares beneficially owned by Mr. Dent, 7,000,000 Common Shares beneficially owned by Ms. Lambie and 783,000 Common Shares beneficially owned by Theresa Dent.
- (3) Member of the Compensation & Corporate Governance Committee. Ross Geddes is the Chairman.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 10,783,898 Common Shares, representing approximately 11.7% of the issued and outstanding Common Shares as of the date hereof.

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

Other than as set forth below, no director or executive officer of the Corporation, is, as at the date hereof, or has been, within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade or similar order, or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer;

financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

Keith Li has been the CFO of BitRush Corp. since December 19, 2018, which has been subject to a cease trade order issued by the Ontario Securities Commission since December 2, 2016. The Ontario Securities Commission issued a partial revocation order on April 29, 2019, in respect of the cease trade order, pursuant to which BitRush Corp. was permitted to undertake a private placement and complete certain other securities issuances. The cease trade order was revoked on May 21, 2021.

Keith Li was also the CFO of Pharmadrug Inc. from August 2018 to October 2023, which has been subject to a cease trade order issued by the Ontario Securities Commission on May 5, 2023. The Ontario Securities Commission issued a revocation order on May 15, 2023, in respect of the cease trade order, pursuant to which Pharmadrug Inc. was permitted to resume trading on the Canadian Securities Exchange.

Other than as set forth below, no director or executive officer of the Corporation, or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder.

Other than as set forth below, no director or executive officer of the Corporation, or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Pursuant to the terms of a settlement agreement dated December 17, 2001 between Mr. Roger Dent and the Ontario Securities Commission, Mr. Dent received a reprimand and agreed to pay a penalty of \$50,000 plus \$10,000 in costs to the Ontario Securities Commission in connection with certain trades in which he was involved while in a conflict of interest position as a result of being an officer and director of Yorkton Securities Inc.

### **Other Matters**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

## **STATEMENT OF CORPORATE GOVERNANCE**

### **Board of Directors**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Board is committed to a high standard of corporate governance practices. The Board

believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of five (5) directors being Roger Dent, Eric Szustak, Ross Geddes, Anthony Roodenburg, and Susan Lambie. Messrs. Geddes, Szustak and Roodenburg are independent within the meaning of NI 58-101. Mr. Dent is not independent as he is an officer of the Corporation and thereby has a “material relationship” with the Corporation. Ms. Lambie is not independent as she is an immediate family member of Mr. Dent, who is an officer of the Corporation, and thereby has a “material relationship” with the Corporation. Mr. Szustak, Mr. Geddes and Ms. Lambie will be running for re-election. Mr. Dent and Mr. Roodenburg will not be running for re-election.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance.

#### **Other Public Company Directorships**

The following Board members and Board nominees currently hold directorships in another reporting issuer as set forth below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Market</b>
Eric Szustak	Bigstack Opportunities I Inc. Copper Road Resources Inc. Nevada Organic Phosphate Inc.	TSX-V TSX-V CSE
Ross Geddes	N/A	N/A
Susan Lambie	N/A	N/A

#### **Orientation and Continuing Education of Board Members**

The Board, together with the Compensation & Corporate Governance Committee is responsible for providing a comprehensive orientation and education program for new directors which fully sets out:

- the role of the Board and its committees;
- the nature and operation of the business of the Corporation; and
- the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board, together with the Compensation & Corporate Governance Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

#### **Ethical Business Conduct**

In addition to those matters which, by law, must be approved by the Board, the approval of the Board is required for:

- the Corporation’s annual business plan and budget;

- material transactions not in the ordinary course of business; and
- transactions which are outside of the Corporation's existing business.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

### **Nomination of Directors**

The Board holds the responsibility for the appointment and assessment of directors.

When considering candidates for the role of director, the Board takes into account a number of factors, including the following (although candidates need not possess all of the following characteristics and not all factors are weighted equally):

- personal qualities and characteristics, accomplishments and reputation in the business community;
- current knowledge and contacts in the countries and/or communities in which the Corporation does business and in the Corporation's industry sectors or other industries relevant to the Corporation's business; and
- ability and willingness to commit adequate time to Board and committee matters, and be responsive to the needs of the Corporation.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the Board is expanded, the Board will consider various potential candidates for director. Candidates may come to the attention of the Board through current directors or management, stockholders or other persons. These candidates will be evaluated and may be considered at any point during the year.

### **Diversity Policy**

The Corporation's senior management and Board have varying backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and cumulative experience. The Board considers merit as the essential requirement for board and executive appointments, and as such, it has not adopted any specific target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, "**members of designated groups**") on the Board or in senior management roles.

The Corporation has not adopted a written diversity policy and seeks to attract and maintain diversity at the executive and Board levels' informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of members of designated groups is one of the many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals. As of the date of this Circular, one of the Corporation's five directors is a woman (20%). No other members of designated groups currently hold positions on the Board or in senior management.

### **Director Term Limits**

The Corporation does not have a policy that limits the term of the directors on its Board and has not provided other mechanisms of Board renewal. At this time, the Board does not believe that it is in the best interests of the Corporation to establish term limits on a director's mandate or a mandatory retirement age. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of directors who have developed increasing knowledge of the Corporation, its operations, and the industry over a period of time.

## **Compensation & Corporate Governance**

The Compensation & Corporate Governance Committee assists the Board in its oversight role with respect to (i) the Corporation's global human resource strategy, policies and programs, and (ii) all matters relating to the proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation. The Compensation & Corporate Governance Committee is currently comprised of Ross Geddes (Chairman), Roger Dent and Eric Szustak.

The Compensation & Corporate Governance Committee:

- reviews and makes recommendations to the Board at least annually regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans including the Stock Option Plan and grants and benefit plans;
- has sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention;
- reviews and approves at least annually all compensation arrangements with the senior executives of the Corporation;
- reviews and approves at least annually all compensation arrangements with the directors of the Corporation; and
- reviews the executive compensation sections disclosed in annual management proxy circular distributed to the Shareholders in respect of the Corporation's annual meetings of Shareholders.

The Corporation believes that it has adopted corporate governance procedures and policies which encourage ethical behavior by the Corporation's directors, officers and employees.

## **Other Board Committees**

The Board has no standing committees other than the Audit Committee and the Compensation & Corporate Governance Committee.

## **Assessments**

The Board does not consider formal assessments useful given the stage of the Corporation's business and operations. However, the Chairman of the Board meets annually with each director individually, which facilitates a discussion of his contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the Chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Board. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

## **AUDIT COMMITTEE INFORMATION**

### **The Audit Committee's Charter**

The directors of the Corporation have adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Appendix "A" to this Circular.

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

The members of the Audit Committee are Anthony Roodenburg (Chairman), Roger Dent and Eric Szustak. Messrs. Roodenburg and Szustak are independent (as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-

110”) adopted by the Canadian Securities Administrators), while Mr. Dent is not independent as he is an officer of the Corporation, and all members are financially literate (as defined in NI 52-110).

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Anthony Roodenburg (Chair)	Yes	Yes
Eric Szustak	Yes	Yes
Roger Dent	No	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Corporation. A “material relationship” is a relationship which could, in the view of the Board of the Corporation, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Following the completion of the Meeting, it is anticipated that Ross Geddes, an independent director, will replace Anthony Roodenburg on the Audit Committee. Following the completion of the Meeting, it is anticipated that Susan Lambie, a non-independent director, will replace Roger Dent on the Audit Committee.

**Relevant Education and Experience**

*Anthony Roodenburg*

Mr. Roodenburg began his career in capital markets and finance in 1987 as an Investment Executive with National Bank Financial (“NBF”). Since leaving NBF in 1991, Mr. Roodenburg has been involved in the creation and financing of several start-up companies and has served as an officer and director of a number of public companies, primarily in the mineral exploration industry.

*Eric Szustak*

Mr. Szustak is a CPA, CA with over 36 years of financial service, business development, marketing, accounting, and CFO experience. Mr. Szustak has worked at both small and large accounting firms advising a wide range of businesses. He has been involved in various small cap public companies during his career.

*Susan Lambie*

Ms. Lambie previously worked as a Director of Institutional Equity Sales at CIBC World Markets. Her experience also includes being President of the Women’s Auxiliary Volunteers at The Hospital for Sick Children, and President of the Parent Association at The Bishop Strachan School.

**Audit Committee Oversight**

At no time during the Last Financial Year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Corporation not been adopted by the Board.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

### **External Auditor Services Fees (By Category)**

The following table discloses the fees billed to the Corporation by its external auditor during the last two completed financial years:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
December 31, 2023	\$140,000	Nil	\$7,600	Nil
December 31, 2022	\$140,000	Nil	\$5,000	Nil

**Notes:**

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

### **Exemption**

Since the Corporation is a "Venture Issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

During the year ended December 31, 2023, no director, executive officer or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Since the commencement of the Corporation's Last Financial Year, no informed person of the Corporation, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

### **SHAREHOLDER PROPOSALS FOR NEXT MEETING**

In accordance with the current provisions of the CBCA, which governs the Corporation, Shareholder proposals must be received between 90 to 150 days before the one year anniversary date of the Meeting to be considered for inclusion in the proxy statement and the form of proxy for the 2025 annual meeting of Shareholders.

### **ADDITIONAL INFORMATION**

#### **Normal Course Issuer Bid**

On August 26, 2021 the Corporation announced a normal course issuer bid (the "**2021 Bid**") via press release authorizing the Corporation to purchase up to 5,174,605 Common Shares. As of August 30, 2022, the date on which the 2021 Bid expired, the Corporation had acquired 5,160,000 Common Shares pursuant to the 2021 Bid, representing 5.6% of the issued and outstanding Common Shares as of the date hereof. Purchases were made on the open market through the facilities of the CSE.

On August 26, 2022, the Corporation announced a new bid (the “**2022 Bid**”) via press release authorizing the Corporation to purchase up to 4,916,605 Common Shares. The 2022 Bid commenced on September 6, 2022 and terminated on September 5, 2023. The Corporation acquired 2,425,000 Common Shares pursuant to the 2022 Bid.

On August 24, 2023, the Corporation announced a new bid (the “**2023 Bid**”) via press release authorizing the Corporation to purchase up to 4,800,000 Common Shares. The 2023 Bid commenced on September 6, 2023 and the Corporation has acquired 4,603,000 Common Shares pursuant to the 2023 Bid as of the date hereof.

Additional information relating to the Corporation may be found under the Corporation’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Inquiries including requests for copies of the Corporation’s financial statements and management’s discussion and analysis for the year ended December 31, 2023 may be directed to the Corporation by telephone at 905.330.7948. Additional financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for the year ended December 31, 2023, which is also available on SEDAR+.



**APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Roger Dent”*

Roger Dent  
Chief Executive Officer and Director

## APPENDIX A. AUDIT COMMITTEE CHARTER

### *The Audit Committee Charter*

#### *Mandate*

#### Role and Objectives

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Quinsam Capital Corporation (the “**Corporation**”) established for the purpose of overseeing the accounting and financial reporting process of the Corporation, the external audits of the consolidated financial statements of the Corporation and the relationship with the external auditor. In connection therewith, the Committee assists the Board in fulfilling its oversight responsibilities in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, financial reporting and statements and the nature and scope of the annual external audit. The Committee also recommends for Board approval the Corporation's audited annual and unaudited quarterly consolidated financial statements and other mandatory financial disclosure.

The Corporation's external auditor reports formally to the shareholders of the Corporation. The external auditor shall also present its more detailed audit findings (including any recommendations for improvements to accounting systems, procedures and internal controls) directly to the Committee. The Committee shall be directly responsible for overseeing the relationship with the external auditor. The Committee shall have such access to the external auditor as it considers necessary or desirable in order to perform its duties and responsibilities.

The objectives of the Committee are as follows:

1. to be satisfied with the credibility and integrity of financial reports;
2. to support the Board in meeting its oversight responsibilities in respect of the preparation and disclosure of financial reporting, including the consolidated financial statements of the Corporation;
3. to facilitate communication between the Board and the external auditor and, to receive on behalf of the Board the reports of the external auditor concerning the detailed findings of the external audit directly from the external auditor;
4. to be satisfied with the external auditor's independence and objectivity; and
5. to strengthen the role of independent directors by facilitating in-depth discussions between members of the Committee, management and the Corporation's external auditor.

#### Composition

1. Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation.
2. Each Committee member shall satisfy the financial literacy and experience requirements of applicable securities laws, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.
3. The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information respecting the Corporation and its subsidiaries and associates as it considers to be necessary or advisable in order to perform its duties and responsibilities.

#### Meetings

1. At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.
2. A quorum for meetings of the Committee shall be a majority of its members.
3. Meetings of the Committee shall be scheduled as it deems appropriate. The Committee may hold *in camera* sessions of the Committee, without management present, at every meeting.
4. The Committee shall report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet as it deems appropriate with the Corporation's external auditor, part or all of each such meeting to be in the absence of management.

### ***Responsibilities***

Review with management all interim consolidated financial statements of the Corporation and related financial reporting including Management's Discussion and Analysis and any earnings press releases (collectively "**Quarterly Financial Disclosure**") and, if thought fit, approve all Quarterly Financial Disclosure.

As discussed above, the Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Corporation and external audits of the Corporation's consolidated financial statements. In that regard, the Committee shall:

1. Satisfy itself on behalf of the Board with respect to the Corporation's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements. The Committee shall also review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of the Corporation (on a consolidated basis), and the manner in which these matters may be, or have been, disclosed in the financial statements;
2. Review with management and the external auditor the annual consolidated financial statements of the Corporation, the reports of the external auditor thereon and related financial reporting, including Management's Discussion and Analysis and any earnings press releases (collectively, "**Annual Financial Disclosure**") prior to their public disclosure. This process should include, but not be limited to:
  - a. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future year's financial statements;
  - b. reviewing financial statements and all items raised by the external auditor, whether or not included in the financial statements; and
  - c. reviewing unresolved differences between the Corporation and the external auditor.

Following such review, the Committee shall recommend to the Board for approval all Annual Financial Disclosure;

3. Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than Annual Financial Disclosure or Quarterly Financial Disclosure, and shall periodically assess the adequacy of those procedures;
4. Review with management and recommend to the Board for approval any financial statements of the Corporation which have not previously been approved by the Board and which are to be included in a prospectus of the Corporation;

5. If the Corporation files an annual information form under applicable securities laws review with management and recommend to the Board for approval, the Corporation's annual information form;
6. With respect to the external auditor:
  - a. consider and make a recommendation to the Board as to the appointment or reappointment of the external auditor, being satisfied that such auditor is a participant in good standing pursuant to applicable securities laws;
  - b. review the terms of engagement of the external auditor, including the appropriateness and reasonableness of the auditor's fees, and make a recommendation to the Board as to the compensation of the external auditor;
  - c. when there is to be a replacement of the external auditor, review with management the reasons for such replacement and the information to be included in any required notice to securities regulators and recommend to the Board for approval the replacement of the external auditor along with the content of any such notice;
  - d. oversee the work of the external auditor in performing its audit or review services and oversee the resolution of any disagreements between management and the external auditor;
  - e. as may be required by applicable securities laws, either:
    - i. pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any), or, in the case of *de minimis* non-audit services, approve such non-audit services prior to the completion of the audit; or
    - ii. adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services; and
  - f. review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
7. Establish procedures for:
  - a. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - b. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
8. Engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors.

## **APPENDIX B. STOCK OPTION PLAN**

*See attached.*

## QUINSAM CAPITAL CORPORATION

### AMENDED STOCK OPTION PLAN

#### ARTICLE 1 PURPOSE OF PLAN

1.1 The purpose of the Stock Option Plan (the "Plan") of **QUINSAM CAPITAL CORPORATION** (the "Corporation"), a corporation incorporated under the *Canada Business Corporations Act* is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation and its subsidiaries by providing them with the opportunity, through options, to acquire common shares in the share capital of the Corporation (the "Shares"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

#### ARTICLE 2 ADMINISTRATION OF PLAN

2.1 The Plan shall be administered by the board of directors of the Corporation or by a special committee of the directors appointed from time to time by the board of directors of the Corporation pursuant to rules of procedure fixed by the board of directors (such committee or, if no such committee is appointed, the board of directors of the Corporation is hereinafter referred to as the "Board"). A majority of the Board shall constitute a quorum and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously by consent in writing, shall be the acts of the directors.

2.2 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 Optionees (as defined herein) under the Plan and on their legal personal representatives and beneficiaries.

2.3 Each option to purchase Shares granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Optionee (as defined herein), in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

2.4 Each option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation

**ARTICLE 3  
STOCK EXCHANGE RULES**

3.1 All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "Exchange").

**ARTICLE 4  
SHARES SUBJECT TO PLAN**

4.1 Subject to adjustment as provided in Article 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

**ARTICLE 5  
MAINTENANCE OF SUFFICIENT CAPITAL**

5.1 The Corporation shall at all times during the term of the Plan keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

**ARTICLE 6  
ELIGIBILITY AND PARTICIPATION**

6.1 Directors, officers, employees and, where permitted by applicable securities laws, consultants (either individual or consultant companies) of the Corporation, shall be eligible for selection to participate in the Plan (such persons collectively referred to as the "Optionees" and individually, an "Optionee"). Subject to compliance with applicable requirements of the Exchange, and except in relation to consultant companies, Optionees may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Optionee.

6.2 Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of technical consultants of the Corporation, the option agreements to which they are a party must contain a representation of the Corporation that such technical consultant is a bona fide technical consultant of the Corporation.

6.3 An Optionee who has been granted an option may, if such Optionee is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

6.4 No stock options shall be granted to employees, consultants or Management Company Employees unless the Corporation represents that the Optionee is a bona fide employee, consultant or Management Company Employee, as the case may be.

#### **ARTICLE 7 EXERCISE PRICE**

7.1

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the Discounted Market Price.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by Insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

#### **ARTICLE 8 NUMBER OF OPTIONED SHARES**

8.1

- (a) The number of Shares subject to an option granted to any one Optionee shall be determined by the Board, but no one Optionee shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Optionee may be granted options to purchase a number of Shares equaling more than 5% of the issued common shares of the Corporation in any twelve-month period unless the Corporation is a Tier 1 issuer and has obtained disinterested shareholder approval in respect of such grant.
- (c) No more than 2% of the issued common shares of the Corporation may be granted to any one consultant of the Corporation in any twelve-month period.
- (d) The aggregate number of options granted to Persons employed to provide investor relations activities must not exceed 2% of the issued shares of the Issuer in any 12 month period, calculated at the date the option was grant.

#### **ARTICLE 9 DURATION OF OPTION**

9.1 Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Articles 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange Inc. (the "TSX-V") the maximum term may not exceed 10 years if the



Corporation is classified as a "Tier 1" corporation by the TSX-V, and the maximum term may not exceed five years if the Corporation is classified as a "Tier 2" corporation by the TSX-V.

## **ARTICLE 10 OPTION PERIOD, CONSIDERATION AND PAYMENT**

### 10.1

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Articles 11 and 12 covering cessation as a director, officer, employee or consultant of the Corporation or death of the Optionee.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist. Options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vesting in any three month period.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Articles 11 and 12, no option may be exercised unless the Optionee is at the time of such exercise a director, officer, employee or consultant of the Corporation.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, addressed to the Secretary of the Corporation, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment. Neither the Optionee nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for the Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.
- (f) Notwithstanding any of the provisions contained in this Plan or in any option, any and all obligations of the Corporation whatsoever to issue Shares to an Optionee pursuant to the exercise of an option and/or this Plan shall at all times be subject to:
  - (i) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Corporation

shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

- (ii) the Corporation being satisfied that the issuance of such Shares shall not (whether with notice or the passage of time or both) breach, violate or be contrary to any of its constituting documents, partnership agreements, applicable laws, regulations, Exchange rules and policies and agreements to which it is a party;
- (iii) the admission of such Shares to listing on any Exchange on which the Shares may be then listed; and
- (iv) the receipt from the Optionee of such representations, agreements and undertaking, including as to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any Exchange on which the Shares are then listed.

## **ARTICLE 11 CEASING TO BE A DIRECTOR, OFFICER OR CONSULTANT**

11.1 Subject to Article 11.2, if an Optionee ceases to be a director, officer, employee or consultant as a result of having been dismissed from any such position for cause, all unexercised option rights 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.

11.2 If an Optionee ceases to be either a director, officer, employee or consultant of the Corporation for any reason other than as a result of having been dismissed for cause as provided in Article 11.1 or as a result of the Optionee's death, such Optionee shall have the right for a period of ninety (90) days (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of ceasing to be either a director, officer, employee or consultant to exercise his option under the Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing to be either a director, officer, employee or consultant. Upon the expiration of such ninety (90) day period all unexercised option rights of that Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Optionee under the Plan.

11.3 Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation.

11.4 The provisions of Articles 11.1 and 11.2 shall not apply as a result of any change of employment of any director, officer, employee or consultant, provided such director, officer, employee or consultant remains a director, officer, employee or consultant of the Corporation.

11.5 Nonwithstanding the above, any options granted to an Optionee who is engaged in investor relations activities shall expire within 30 days after the Optionee ceases to be employed to provide investor relations activities.

## **ARTICLE 12 DEATH OF OPTIONEE**

12.1 In the event of the death of any Optionee, the legal representatives of the deceased Optionee shall have the right for a period of one year (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of death of the deceased Optionee to exercise the deceased Optionee's option under the Plan to the extent that it was exercisable on the date of death. Upon the expiration of such period all unexercised option rights of the deceased Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to the deceased Optionee under the Plan.

## **ARTICLE 13 RIGHTS OF OPTIONEE**

13.1 No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

## **ARTICLE 14 PROCEEDS FROM SALE OF SHARES**

14.1 The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

## **ARTICLE 15 ADJUSTMENTS**

15.1 If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of Shares optioned and the exercise price per Share, as regards previously granted and unexercised options or portions thereof, and as regards options which may be granted subsequent to any such change in the Corporation's capital. Adjustments under this Article shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares shall be required to be issued under the Plan on any such adjustment.

15.2 Upon the liquidation or dissolution of the Corporation, the Plan shall terminate, and any options theretofore granted hereunder shall terminate. In the event of a reorganization, merger or consolidation of the Corporation with one or more corporations as a result of which the Corporation is not the surviving corporation, or upon the sale of substantially all of the property or more than eighty (80%) percent of the then outstanding common shares of the Corporation to another corporation (a "Change of Control") all options granted which have not yet vested shall immediately vest without consideration as to time or any other vesting provision set forth in the Plan or stock option agreement governing such options, provided that such vesting is not in violation of the then current policies of the Exchange, if applicable, and all Optionees then entitled to exercise options then outstanding shall have the right at such time immediately prior to consummation of the Change of Control to exercise their options to the full extent not theretofore exercised. Upon consummation of the Change of Control, the Plan shall terminate and any options theretofore granted hereunder that remain unexercised upon termination shall also terminate.

## **ARTICLE 16 TRANSFERABILITY**

16.1 All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange. During the lifetime of an Optionee any benefits, rights and options may only be exercised by the Optionee.

## **ARTICLE 17 AMENDMENT AND TERMINATION OF PLAN**

17.1 Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

## **ARTICLE 18 NECESSARY APPROVALS**

18.1 The ability of an Optionee to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or Exchange having jurisdiction over the securities of the Corporation. 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 will be returned to the Optionee, without interest.

**APPENDIX C. DEFERED SHARE UNIT PLAN**

*See attached.*

DEFERRED SHARE UNIT PLAN  
QUINSAM CAPITAL CORPORATION

**ARTICLE 1  
INTERPRETATION**

**1.1 Purpose**

The purpose of the Quinsam Capital Corporation Deferred Common Share Unit Plan (the “**Plan**”) is to promote a greater alignment of interests between the employees, directors, officers and consultants of Quinsam Capital Corporation (the “**Corporation**”) and the shareholders of the Corporation.

**1.2 Definitions**

The following terms used in this Plan have the meanings set out below:

- (a) “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts which the Corporation is required by law to withhold from any amounts to be paid under the Plan;
- (b) “**Beneficiary**” means any person designated by a Participant by written instrument filed with the Corporation to receive any amount payable under the Plan in the event of a Participant’s death or, failing any such effective designation, the Participant’s estate;
- (c) “**Blackout Period**” means a period when a Participant is prohibited from trading in the Corporation’s securities pursuant to the Corporation’s written policies then applicable or a notice in writing to a Participant by a senior officer or Director of the Corporation;
- (d) “**Board**” means the board of directors of the Corporation;
- (e) “**Business Day**” means a day on which there is trading on the Exchange or such other stock exchange on which the Common Shares are then listed and posted for trading, and if the Common Shares are not so listed, a day that is not a Saturday or Sunday or a national legal holiday in Canada;
- (f) “**CCGC Committee**” means the Compensation and Corporate Governance Committee of the Board;
- (g) “**Change of Control**” means and shall be deemed to have occurred if one of the following events takes place:
  - (i) the sale, transfer or other disposition of all or substantially all of the Corporation’s assets in complete liquidation or dissolution of the Corporation;

- (ii) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, as a result of which the holders of Common Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor corporation immediately after completion of the transaction;
  - (iii) any Person or combination of Persons at arm's length to the Corporation and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Corporation, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect;
  - (iv) a resolution is adopted to wind-up, dissolve or liquidate the Corporation; or
  - (v) as a result of or in connection with: (A) a contested election of directors of the Corporation; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity (a "Transaction"), fewer than 50% of the Corporation's directors following the Transaction are persons who were directors of the Corporation immediately prior to such Transaction.
- (h) "**Common Share**" means a Common Share of the Corporation;
  - (i) "**Consultant**" has the meaning given to that term in National Instrument 45-106 - *Prospectus Exemptions*;
  - (j) "**Corporation**" has the meaning ascribed to such term in Section 1.1 hereof;
  - (k) "**CSE**" means the Canadian Securities Exchange;
  - (l) "**Director**" means a director of the Corporation;
  - (m) "**DSU**" means a bookkeeping entry, equivalent to one Common Share, credited to a Participant's DSU Account in accordance with the terms and conditions of the Plan;
  - (n) "**DSU Account**" has the meaning ascribed thereto in Section 7.2;
  - (o) "**Eligible Person**" means a person who is an Employee, Officer, Director or Consultant;
  - (p) "**Employee**" has the meaning given to that term in National Instrument 45-106 - *Prospectus Exemptions*;
  - (q) "**Exchange**" means the Canadian Securities Exchange, or such other stock exchanges, inter-dealer quotation networks or other organized trading facilities on which the Common Shares may be listed;

- (r) **“Event of Termination”** means the termination of the employment of a Participant as an Employee or the cessation of a Participant as a Director, Officer or Consultant, in any of the foregoing circumstances for any reason whatsoever, but provided that the Participant does not thereafter continue in the capacity of an Employee, Director-or, Officer, or Consultant. In the case of a termination of the employment of a Participant with the Corporation, the date of the Event of Termination shall be the date of the cessation of such Participant’s employment with the Corporation regardless of whether he or she is entitled to notice of termination or payment at law or under the terms of any employment contract and regardless of whether the termination of employment was lawful or unlawful. In the case of a cessation of a Participant as a Director or Officer, the date of the Event of Termination shall be the date that such Participant ceases to serve in such capacity;
- (s) **“Insider”** means (i) a Director or senior officer of the Corporation; (ii) a Director or senior officer of a company that is an Insider or subsidiary of the Corporation; (iii) a Person that beneficially owns or controls, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; and (iv) the Corporation itself if it holds any of its own securities;
- (t) **“Management Corporation Employee”** means an individual employed by a Person providing management services to the Corporation or to a Related Entity of the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in investor relations activities;
- (u) **“Officer”** means an officer of the Corporation or a Management Corporation Employee, and for the purposes of the Plan includes officers of any Related Entity of the Corporation;
- (v) **“Option Plan”** means the 10% rolling stock option of the Corporation;
- (w) **“Participant”** means an Eligible Person who is granted DSUs under the Plan;
- (x) **“Person”** means, without limitation, an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator, or other legal representative;
- (y) **“Plan”** has the meaning ascribed to such term in Section 1.1 hereof;
- (z) **“Redemption Notice”** has the meaning ascribed thereto in Section 9.1;
- (aa) **“Related Entity”** has the meaning given to that term in National Instrument 45-106 - *Prospectus and Registration Exemptions*;
- (bb) **“Spouse”** means an individual who is either: (i) married to a Participant; or (ii) a common-law partner (within the meaning of the *Income Tax Act* (Canada), as amended from time to time) to a Participant;



- (cc) **“Share Compensation Plan”** means any the Option Plan, and any other share option, share option plan, employee share purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to directors, officers, employees or consultants of the Corporation (and its affiliates);
- (dd) **“Shareholder”** means a holder of Common Shares;
- (ee) **“Trading Day”** means any date on which the Exchange on which the Common Shares are then listed is open for the trading of Common Shares; and
- (ff) **“Vested DSUs”** means DSUs that, as of such date the Corporation may determine when such DSUs are granted, have become redeemable.

**ARTICLE 2  
CONSTRUCTION AND INTERPRETATION**

- 2.1 The effective date of the Plan is April 29, 2019 subject to the approval of the Plan by shareholders and the Exchange.
- 2.2 All references in the Plan to currency refer to lawful currency of Canada. The Plan shall be governed and interpreted in accordance with the laws of Ontario and the federal laws of Canada applicable therein.
- 2.3 If any provision of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision thereof.
- 2.4 In the Plan, references to the masculine shall include the feminine, and references to the singular shall include the plural and vice versa, as the context requires.
- 2.5 Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

**ARTICLE 3  
GENERAL**

- 3.1 The Plan shall be administered by the CCGC Committee.
- 3.2 The CCGC Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make such determinations and take such other actions in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, provided that, notwithstanding any determination or action made or taken by the CCGC Committee, the Board has the authority to make all determinations and take all other actions in connection with or in relation to the Plan as it may deem necessary or advisable.
- 3.3 The Corporation shall be responsible for all costs relating to the administration of the Plan.

- 3.4 The Plan shall remain an unfunded obligation of the Corporation and the rights of Participants under the Plan shall be general unsecured obligations of the Corporation.
- 3.5 The Corporation may deduct from any amount to be paid under the Plan any Applicable Withholding Taxes in such manner as the Corporation determines, including the sale, on behalf of a Participant, of such number of Common Shares otherwise deliverable to the Participant as will produce an amount sufficient to pay Applicable Withholding Taxes.

**ARTICLE 4  
ELIGIBILITY**

- 4.1 Every Eligible Person who is granted a DSU pursuant to this Plan is a Participant.
- 4.2 A person ceases to be eligible to receive grants of DSUs at such time as such person ceases to be an Eligible Person for any reason.
- 4.3 Nothing herein contained shall be deemed to give any person the right to be retained, appointed, nominated or elected as a Director or Officer or hired as an Employee or Consultant.

**ARTICLE 5  
DSU GRANTS**

- 5.1 The CCGC Committee may grant DSUs under this Plan at such time and in such amounts as it may determine.
- 5.2 All DSUs credited under the Plan shall remain in DSU Accounts and shall be settled or forfeited, as applicable, only in accordance with the terms of the Plan. A Participant shall be credited with the DSUs allotted to that Participant pursuant this Plan on the day so designated by the Board.
- 5.3 Whenever cash dividends or distributions are paid on the Common Shares, additional DSUs may be credited to the Participant's DSU Account. The number of such additional DSUs will be calculated by multiplying the per Common Share dividend rate by the number of DSUs held at that time in the Participant's DSU Account.
- 5.4 Any vesting conditions (which may include time restrictions, performance conditions or a combination of both) for DSUs shall be determined by the CCGC Committee in advance of any grants pursuant to this Plan. Notwithstanding any other provision of this Plan, the Board may in its sole and absolute discretion accelerate and/or waive any vesting or other conditions for all or any DSUs for any Participant at any time and from time to time.
- 5.5 The Corporation shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan. At such times as the Corporation shall determine, the Corporation shall furnish the Participant with a statement setting forth the details of the DSUs credited to each Participant in his or her DSU Account. Such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is given to the Corporation within 30 days after such statement is given to the Participant. Participants shall not be entitled to receive any certificate evidencing DSUs.

**ARTICLE 6  
DEFERRED UNITS**

- 6.1 Subject to Article 9, under no circumstances shall DSUs be considered Common Shares or entitle a Participant to any Shareholder rights, including, without limitation, voting rights, distribution entitlements or rights on liquidation.
- 6.2 One DSU shall be equivalent in value to one Common Share. Fractional DSUs are permitted up to two decimal places but shall be rounded down to the nearest whole number of Common Shares at the time of settlement.

**ARTICLE 7  
DEFERRED UNIT ACCOUNTS**

- 7.1 The number of DSUs (including fractional DSUs) to be credited to a Participant as of any particular date pursuant to this Plan will be determined by the CCGC Committee.
- 7.2 An account, to be known as a “DSU Account”, shall be maintained by the Corporation for each Participant and will show the DSUs credited to a Participant from time to time.

**ARTICLE 8  
ADJUSTMENTS**

- 8.1 If the number of outstanding Common Shares shall be increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Common Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number of DSUs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole and absolute discretion and all such adjustments shall be conclusive and binding for all purposes under the Plan.

**ARTICLE 9  
SETTLEMENT OF DEFERRED UNITS**

- 9.1 Vested DSUs shall be redeemed in whole or in part for Common Shares issued from treasury on the date (the “Redemption Date”) on which the Participant delivers a written notice of redemption in the form of Schedule A hereto (a “Redemption Notice”) to the Corporation.
- 9.2 If a Participant dies, the value of the Vested DSUs credited to that Participant’s DSU Account shall be payable by the issuance of Common Shares to his or her Beneficiary on the Redemption Date.
- 9.3 In the event Vested DSUs are redeemed for Common Shares pursuant to this Article 9, subject to the provisions of the Plan, the Participant (or, where a Participant had died, his or her Beneficiary) shall receive a whole number of Common Shares from the Corporation equal to the whole number of DSUs then being redeemed from the Participant’s DSU Account. Such Common Shares shall be delivered within five Trading Days following the applicable Redemption Date. No fractional Common Shares shall be issued pursuant to this

Plan and a fractional DSU shall be rounded down to the nearest whole DSU and shall not be entitled to a Common Share or any cash payment on a redemption.

- 9.4 Upon the occurrence of a Change of Control, all of a Participant's unvested DSUs will automatically become Vested DSUs on the date such Change of Control occurs and all of such Participant's Vested DSUs will be redeemed in accordance with this Article 9 in a manner that allows the Participant to participate in such Change of Control only if it is completed prior to the date of an Event of Termination (if any), as determined by the Board in its sole discretion.
- 9.5 Upon the occurrence of an Event of Termination, all of such Participant's unvested DSUs will automatically terminate on the date of such Event of Termination, at which time all of such Participant's Vested DSUs must be redeemed in accordance with this Article 9 within 90 days following the date such Event of Termination occurs, at which time any Vested DSUs which have not been redeemed will be cancelled.
- 9.6 Notwithstanding Sections 9.1 to 9.5 above, upon an Event of Termination, a Participant shall file a duly-completed Redemption Notice within 90 days of such Event of Termination. In the event a Participant fails to file a duly-completed Redemption Notice prior to the day that is 90 days after such Event of Termination, the applicable Vested DSUs shall automatically be redeemed for Common Shares in accordance with the provisions of this Article 9 and the Redemption Date shall be deemed to be such 90th day.
- 9.7 Notwithstanding the provisions of Sections 9.4 to 9.6 above, the Corporation may, in its sole and absolute discretion, at any time prior to or following any Event of Termination or Change of Control, permit the vesting and/or redemption of any or all DSUs held by a Participant in the manner and on the terms authorized by the Corporation, provided that, subject to an extension pursuant to Section 9.8, the Board will not, in any case, authorize the vesting and/or redemption of DSUs pursuant to this section beyond a period of one year from the date on which an Event of Termination occurs.
- 9.8 Notwithstanding the foregoing, if the applicable Redemption Date for DSUs held by any Participant occurs during or within ten Business Days of the expiration of a Blackout Period applicable to such Participant, then the Redemption Date for such DSUs shall be extended to the close of business on the tenth Business Day following the expiration of the Blackout Period.
- 9.9 Upon issuance of Common Shares in settlement of any DSUs, such DSUs shall be cancelled.

## **ARTICLE 10 NUMBER OF UNITS**

- 10.1 The maximum number of Common Shares reserved for issuance under the Plan, and in combination with all other equity incentive plans of the Corporation at any time, shall not exceed 10% of the issued and outstanding Common Shares of the Corporation. Unless requisite shareholder approval pursuant to the rules of the Exchange (or unless permitted otherwise by the rules of the Exchange): (i) the maximum number of Common Shares issuable to Insiders under the Plan, at any time, shall not exceed 10% of the issued Common

Shares; (ii) the maximum number of DSUs that may be granted to Insiders under the Plan, within a 12-month period, shall not exceed 10% of the issued Common Shares calculated on the grant date of a DSU granted to any Insider; and (iii) the maximum number of DSUs which may be granted to any one person under the Plan, in any 12 month period, shall not exceed 5% of the issued Common Shares calculated on the grant date of such DSU.

## **ARTICLE 11 AMENDMENTS TO THE PLAN**

- 11.1 Subject to Section 11.2 and applicable law (including, without limitation, the rules, regulations and policies of the Exchange), the provisions of the Plan may be amended at any time and from time to time by resolution of the Board. Such amendments to the Plan include, without limitation:
- (a) minor changes of a "house-keeping nature", including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Plan, or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
  - (b) amending DSUs under the Plan, including with respect to either advancing the date on which any DSU may be redeemed for Common Shares, assignability and the effect of termination of a Participant, provided that such amendment does not adversely alter or impair any DSU previously granted to a Participant without the consent of such Participant;
  - (c) amendments necessary to comply with the provisions of applicable law or the applicable rules of the Exchange on which the Common Shares are then listed, including with respect to the treatment of DSUs granted under the Plan;
  - (d) amendments respecting the administration of the Plan;
  - (e) amendments necessary to suspend or terminate the Plan; provided that such amendment does not adversely alter or impair any DSU previously granted to a Participant without the consent of such Participant; and
  - (f) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the applicable rules of the Exchange.
- 11.2 Approval of shareholders will not be required for amendments to the Plan or amendments to the terms and conditions of DSUs issued or rights or interests acquired hereunder, except for the following types of amendments or modifications:
- (a) amendments to Article 10 hereof to increase the number of Common Shares reserved for issuance, including an increase in the fixed maximum number of Common Shares, or a change from a fixed maximum number of Common Shares to a fixed maximum percentage;
  - (b) amendments for the purpose of extending eligibility to participate in the Plan to Persons who are not Eligible Persons as defined herein;

- (c) amendments for the purpose of permitting DSUs issued or other rights or interests acquired hereunder to be transferred or assigned other than in accordance with Article 13 hereof;
- (d) amendments to Article 10 hereof to increase the insider participation limits;
- (e) amendments to this Article 11; and
- (f) amendments required to be approved by holders of Common Shares under applicable law (including, without limitation, the rules, regulations and policies of the Exchange).

**ARTICLE 12  
SUSPENSION AND TERMINATION**

- 12.1 The Board may, in its sole discretion and without the consent of any Participant (acting in his or her capacity as a Participant in the Plan), suspend or terminate the Plan or any provision hereof at any time by giving written notice thereof to each Participant, provided, however that such suspension or termination may not materially adversely affect the rights already accrued under the Plan by a Participant, without the consent of the Participant.
- 12.2 Following termination of the Plan, DSUs previously credited to Participants shall remain outstanding and in effect and be settled subject to and in accordance with the applicable terms and conditions of the Plan in effect immediately prior to the termination.

**ARTICLE 13  
ASSIGNMENT**

- 13.1 The interest of any Participant under the Plan or in any DSU shall not be transferable or alienable by him or her either by pledge, assignment or in any other manner whatsoever and, during his or her lifetime, shall be vested only in him or her, but shall thereafter enure to the benefit of and be binding upon the Participant's Beneficiary.
- 13.2 Rights and obligations under the Plan may be assigned by the Corporation to a successor of the business of the Corporation.

**ARTICLE 14  
GENERAL**

- 14.1 Neither the establishment of the Plan, the crediting of DSUs or the setting aside of any funds by the Corporation (if, in its sole and absolute discretion, it chooses to do so) shall be deemed to create a trust. Legal and equitable title to any funds set aside for the purposes of the Plan shall remain in the Corporation and no Participant shall have any security or other interest in such funds. Any funds so set aside shall remain subject to the claims of creditors of the Corporation present or future. Amounts payable to any Participant under the Plan shall be a general, unsecured obligation of the Corporation. The right of the Participant or Beneficiary to receive payment pursuant to the Plan shall be no greater than the right of other unsecured creditors of the Corporation.

- 14.2 The administration of the Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of the Exchange.
- 14.3 A Participant shall be solely responsible for all federal, provincial, state and local taxes resulting from his or her receipt of DSUs, Common Shares or other property pursuant to this Plan, except to the extent that the Corporation has, directly or indirectly, withheld (a) cash for remittance to the statutory authorities and/or (b) Common Shares having a value equal to the cash to be remitted to the statutory authorities for sale on the Participant's behalf. In this regard, the Corporation shall be able to deduct from any payments hereunder (whether in the form of Common Shares or cash) or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted. Each Participant agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation or any affiliate of the Corporation if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

**ARTICLE 15**  
**LANGUAGE**

- 15.1 Les Participants et la Fiducie ont exigé que le present Régime ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en anglais. The Participants and the Corporation have required that this Plan and all documents and notices resulting herefrom be drawn up in English.