

PELTON MINERALS CORPORATION

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS TO BE HELD ON
JUNE 30, 2023**

AND

**MANAGEMENT INFORMATION CIRCULAR
DATED MAY 30, 2023**

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting of shareholders of **PELTON MINERALS CORPORATION** (the “Corporation”) will be held on Friday, June 30, 2023 at 380 Wellington Street, 6th Floor, London, Ontario N6A 5B5 at 11:00 a.m. (Eastern Time) (the “Meeting”), for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended December 31, 2022, together with the report of the auditors thereon;
2. to set the number of directors at seven (7);
3. to elect directors;
4. to re-appoint auditors and to authorize the directors to fix their remuneration;
5. to consider and, if thought fit, pass a special resolution to implement a security-based compensation plan;
6. to consider and, if thought fit, pass a special resolution for the advance notice of nomination of directors; and
7. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice are a Management Information Circular, a form of proxy (the “Proxy”) (if you are a registered shareholder) or a Voting Instruction Form (if you are a non-registered shareholder), and a Supplemental Mailing List Form. The accompanying Management Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the Proxy or Voting Instruction Form in accordance with the instructions set out in the Proxy or Voting Instruction Form and in the Management Information Circular accompanying this Notice. Please advise the Corporation of any change in your mailing address.

Only holders of common shares of record at the close of business on May 23, 2023 (the “Record Date”) will be entitled to vote at the Meeting.

DATED at London, Ontario, the 30th day of May, 2023.

BY ORDER OF THE BOARD

(Signed) “Edward L. Ellwood”

Edward L. Ellwood, President and CEO

PELTON MINERALS CORPORATION

MANAGEMENT INFORMATION CIRCULAR

(containing information as at May 30, 2023 unless otherwise noted)

SOLICITATION OF PROXIES

This Management Information Circular (this “Circular”) is furnished in connection with the solicitation of proxies by the management of **PELTON MINERALS CORPORATION** (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of shareholders (“Shareholders”) of the Corporation to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed form of proxy (the “Proxy”) is solicited by management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made by regular officers and employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation. None of the directors of the Corporation have advised that they intend to oppose any action intended to be taken by management as set forth in this Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Proxy are officers and/or directors of the Corporation. **A shareholder has the right to appoint a person, other than the persons named in the Proxy, to attend and act for him on his behalf at the Meeting. To exercise this right, a shareholder must strike out the names of the persons named in the Proxy and insert the name of his nominee in the blank space provided or complete another proxy.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder's attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the Corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be deposited with the Corporation's Registrar and Transfer Agent, **TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto ON M5H 4H1, Fax: (416) 595-9593 by 11:00 a.m. (Eastern Time) on June 28, 2023** or at least 48 hours before the time of the amended meeting date in the event of any adjournment of the Meeting, excluding Saturdays, Sundays and holidays.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the close of business on the second business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked. A shareholder attending the Meeting has the right to vote in person and if he does so, his proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an “Intermediary”) that the non-registered holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”) of which the Intermediary is a participant (a “non-registered holder”). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of this Circular and the accompanying Notice of Meeting together with the Proxy (collectively, the “Meeting Materials”) to the clearing

agencies and Intermediaries for onward distribution to non-registered holders of Common Shares. Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

(a) 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 and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

(b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder 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 non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING AND EXERCISES OF DISCRETION BY PROXIES

The Proxy affords the shareholder an opportunity to specify that the shares registered in his name shall be voted or withheld from voting in respect of the election of directors and the appointment of auditors. The Proxy also affords the shareholder the opportunity to specify that the shares registered in his name shall be voted in favour of or against any resolutions proposed for approval at the Meeting in accordance with such direction. On any ballot that may be called for, the shares represented by proxies in favour of management nominees will be voted or withheld from voting in respect of the election of directors and the appointment of auditors and authorizing the directors to fix the remuneration of the auditors, in each case in accordance with the instructions made by shareholders in the manner referred to above.

In the absence of any direction in the Proxy, it is intended, if management's proxyholders are selected, that such shares will be voted with respect to the election of directors and/or the appointment of the auditors in the manner proposed by management herein, on any ballot that may be called for, in respect of such matters, and IN FAVOUR of the motions proposed to be made at the Meeting, if any, as stated under the headings in this Circular. The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. At the time of printing of this Circular,

management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the named proxyholder.

Level of Approval Required

In order to be effective, resolutions concerning the general matters to be considered by the shareholders at this meeting including the election of directors and the appointment and remuneration of auditors must be passed by a majority of the votes cast at the Meeting. Resolutions concerning the special matters to be considered by the shareholders at this meeting must be passed by at least two-thirds of the votes cast at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of common shares (the “Common Shares”). As of May 23, 2023 (the “Record Date”), 118,947,459 Common Shares were issued and outstanding, each share carrying the right to one vote.

At a general meeting of shareholders of the Corporation, on a show of hands, every shareholder holding Common Shares, present in person, shall have one vote and, on a poll by ballot, every shareholder holding Common Shares shall have one vote for each Common Share of which he is the holder.

Only shareholders of record on the close of business on the Record Date, who either personally attend the Meeting or who complete and deliver a proxy in the manner and subject to the provisions described above will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

The following table shows, as at the date hereof, each person who is known to the Corporation, or its directors and officers to beneficially own, directly or indirectly, or that controls or directs, more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote at the Meeting.

Name	Number of Voting Securities	Percentage of Outstanding Voting Securities ⁽¹⁾
CDS & Co. ⁽²⁾	64,064,539	53.86%

Notes: (1) Based on 118,947,459 Common Shares issued and outstanding as at the date hereof.

(2) CDS & Co. holds the Common Shares on behalf of financial intermediaries. The Corporation does not believe that they represent the beneficial holdings of any individual person or corporation who owns more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote at the Meeting.

ELECTION OF DIRECTORS

Seven directors are to be elected at the Meeting. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors at seven (7). In the absence of instructions to the contrary, the persons designated by Management in the enclosed form of proxy intend to vote FOR fixing the number of directors at Seven (7).

Each director of the Corporation is elected annually and holds office until the next annual meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by the Proxy will, on a poll by ballot, be voted (if management’s proxies are selected) in favour of the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the management’s nominees for election as directors, the positions and offices which they presently hold with the Corporation, the length of time they have served as directors of the Corporation, their respective principal occupations or employments during the past five years, if such nominee is not

presently an elected director and the number of voting shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Management Information Circular.

Name and Country of Residence of Proposed Directors	Office Held	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years	Director Since	Number of Voting Shares (1)
Kent Britton (2) (4) British Columbia, Canada	Director	Mavan Capital, Partner January 2019 to October 2019; Stony Mountain Waste Management- Managing director 2013-2017.	September 23, 2011 to June 29, 2012, then from January 24, 2013.	1,175,757
Richard C. Capps (2) (4) Georgia, USA	Director	Consulting Geologist. PhD. Geo., Reg. SME Geo. President of Capps Geoscience LLC since 1987.	June 30, 2017	Nil
Edward L. Ellwood (3)(4) Ontario, Canada	Director, Chief Executive Officer and President	President and CEO of the Corporation, management consultant, and independent business owner	April 1, 2010	4,165,796
John Frederick O'Donnell Ontario, Canada (3) (5)	Director, Chairman of the Board	Lawyer (licensed but not active) and Business Executive.	Gold Reef International, Inc. (now called Peloton Minerals Corporation): director from its incorporation on Dec 21, 2000 until Feb 12, 2009; President (Dec 21, 2000 to Feb 1, 2007); reappointed President, and CEO on Dec 10, 2008 until resignation on Feb 12, 2009. reappointed as director and Chairman on May 29, 2014	1,036,862
Eric J. Plexman (3) Ontario, Canada	Director, Chief Financial Officer and Secretary	Secretary and CFO of the Corporation, management consultant.	April 1, 2010	2,925,730
Paul Teodorovici (5) Quebec, Canada	Director, Executive-Vice President	Vice-President of the Corporation; Property management consultant.	March 25, 2011	2,104,588
Clifford A. Wiebe (2)(5) Manitoba, Canada	Director	Independent business consultant.	August 19, 2005	300,000

Notes:

- (1) The information as to shares beneficially owned or over which control or direction is exercised is not within the knowledge of the Corporation and has been furnished by the respective nominees individually or was obtained from insider filings. Directors may also receive options.
- (2) Member of the Audit Committee.
- (3) Member of Governance & Disclosure Committee.
- (4) Member of Health, Safety & Environmental Committee.
- (5) Member of Compensation Committee

The term of office of each director will be from the date of the Meeting until the next annual meeting of the Corporation or until his successor is elected or appointed, unless the office is vacated earlier in accordance with the general by-law of the Company.

Proxies received in favour of Management will be voted for the election of the nominees whose names are set forth above unless instructions are given to withhold from voting on the election of directors.

To the knowledge of the Corporation, except as noted below, no proposed director:

- (a) is, as at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
 - i. was the subject, while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company, of 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; or
 - ii. 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 proposed director ceased to be a director, chief executive officer or chief financial officer but which resulted from an event that occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the 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
- (c) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

John F. O'Donnell is a director of AFR NuVenture Resources Inc. ("AFR") (formerly African Metals Corporation) for which a cease trade order (the "CTO") was issued against its securities by the British Columbia Securities Commission (the "BCSC") on December 1, 2016, for failure to file financial statements. At the time, AFR was insolvent and unable to pay for its auditors to complete its financial statements. AFR's dire financial situation existed prior to Mr. O'Donnell becoming a director of AFR. Mr. O'Donnell agreed to attempt to resolve AFR's difficulties and on October 5, 2018, a special meeting of shareholders was held to approve, by special resolution, the sale of substantially all of AFR's assets. On December 6, 2018, AFR completed the sale of assets and has since been restored to fiscal and corporate health and good standing. As a result of these efforts, on December 17, 2020, the BCSC fully revoked the CTO and on August 30, 2021, the TSX Venture Exchange having confirmed that AFR had met the requirements to be listed as a TSXV Tier 2 company, AFR's listing was transferred from NEX to the TSX Venture Exchange. Mr. O'Donnell is now Chairman, President, and CEO of AFR

EXECUTIVE COMPENSATION

Executive Officers of the Corporation

Set out below are particulars of compensation paid to the following persons (the “Named Executive Officers”):

- (a) the Corporation’s Chief Executive Officer (“CEO”);
- (b) the Corporation’s Chief Financial Officer (“CFO”);
- (c) each of the Corporation’s three most highly compensated executive officers, other than the CEO and CFO who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 per year, and
- (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an officer of the Corporation at the end of the most recently completed fiscal year.

During the fiscal year ended December 31, 2022, the Corporation had two Named Executive Officers, namely, Edward Ellwood and Eric Plexman.

Compensation Discussion and Analysis

The executive compensation policy of the Corporation is determined with a view to securing the best possible talent to manage the Corporation. Executive officers expect to gain additional income from the appreciation in the value of the Common Shares they hold in the Corporation, including stock options. Compensation is determined on a judgmental basis after review by the Compensation Committee and the board of directors of the contribution of each individual, including the executive officers of the Corporation. Although they may be members of the board of directors, the executive officers do not individually make any decisions with respect to their respective compensation.

Compensation paid to the Named Executive Officers is based on comparison to compensation paid to officers of companies in a similar business, size and stage of development and reflects the need to provide incentive and compensation for the time and effort expended by the Named Executive Officers, while taking into account the financial and other resources of the Corporation, as well as increasing shareholder value.

The Corporation’s executive compensation currently consists of base salary and incentive stock options, in the form of participation in the Corporation’s Stock Option Plan.

Base Salary

Base salary is the principal component of executive compensation and the base salary for each executive officer is based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance is also taken into account in determining base salary levels for executives.

Option-based awards

Options are awarded to executive officers in lieu of higher salaries. The grant of stock options under the Corporation’s existing stock option plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term and to reward employees for both past and future performance. Individual grants are determined by an assessment of an individual’s current and expected future performance, level of responsibilities and the importance of his position with and contribution to the Corporation. Previous grants of stock options are taken into account when new options are granted to an individual.

Bonuses

Bonuses may be paid in the future for significant and specific achievements which have a strategic impact on the fortunes of the Corporation.

Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for each of the Corporation's three most recently completed fiscal years.

Name and Principal Position	Year	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			
Edward Ellwood, President and CEO	2022	120,000 ⁽¹⁾	Nil	12,600 ⁽³⁾	Nil	Nil	Nil	Nil	132,600 ⁽¹⁾
	2021	120,000 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	120,000 ⁽¹⁾
	2020	120,000 ⁽¹⁾	Nil	10,822	Nil	Nil	Nil	Nil	130,822 ⁽¹⁾
Eric J. Plexman, CFO	2022	120,000 ⁽²⁾	Nil	12,600 ⁽³⁾	Nil	Nil	Nil	Nil	132,600 ⁽²⁾
	2021	120,000 ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	120,000 ⁽²⁾
	2020	60,000 ⁽²⁾	Nil	10,822	Nil	Nil	Nil	Nil	75,822 ⁽²⁾

- (1) 2022: Management fees totalling \$240,000 were unpaid at December 31, 2022.
2021: Management fees totalling \$220,000 were unpaid at December 31, 2021.
2020: Management fees totalling \$160,000 were unpaid at December 31, 2020.
- (2) 2022: Management fees totalling \$158,450 were unpaid at December 31, 2022.
2021: Management fees totalling \$111,400 were unpaid at December 31, 2021.
2020: Management fees totalling \$51,400 were unpaid at December 31, 2020.
- (3) Option-based Awards are calculated using the Black-Scholes Option Pricing Model to determine grant date fair value. **(1)** 2022: **(a)** Mr. Ellwood and Mr. Plexman were each granted 450,000 stock options during June, 2022 with an estimated fair value of \$0.028 per option. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of stock options granted during June, 2022 was estimated on the date of the grant using the Black-Sholes Option Pricing Model with the following assumptions: average risk-free interest rate of 1.37%, estimated volatility of 87%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%. **(2)** 2020: **(a)** Mr. Ellwood and Mr. Plexman were each granted 100,000 stock options during September, 2020 with an estimated fair value of \$0.0635 per option. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of stock options granted during September, 2020 was estimated on the date of the grant using the Black-Sholes Option Pricing Model with the following assumptions: average risk-free interest rate of 1.46%, estimated volatility of 92%, expected life of 3.73 years, forfeiture rate of Nil and expected dividend yield of 0%. **(b)** Mr. Ellwood and Mr. Plexman were each granted 50,000 stock options during December, 2020 with an estimated fair value of \$0.0893 per option. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of stock options granted during December, 2020 was estimated on the date of the grant using the Black-Sholes Option Pricing Model with the following assumptions: average risk-free interest rate of 1.25%, estimated volatility of 90%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out the outstanding share options held by the Named Executive Officers as at December 31, 2022:

Name	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 ⁽¹⁾ (\$)	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Edward Ellwood	250,000	\$0.10	June 7, 2024	\$3,750	Nil	Nil
	100,000	\$0.10	June 7, 2024	\$1,500	Nil	Nil
	50,000	\$0.135	Dec. 18, 2025	Nil	Nil	Nil
	450,000	\$0.10	June 10, 2025	\$6,750	Nil	Nil
Eric Plexman	250,000	\$0.10	June 7, 2024	\$3,750	Nil	Nil
	100,000	\$0.10	June 7, 2024	\$1,500	Nil	Nil
	50,000	\$0.135	Dec. 18, 2025	Nil	Nil	Nil
	450,000	\$0.10	June 10, 2025	\$6,750	Nil	Nil

Notes:

- (1) The closing market price (bid) of the Corporation's common shares on the CSE on December 31, 2022 was \$0.115.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Edward Ellwood	Nil	Nil	Nil
Eric Plexman	Nil	Nil	Nil

Pension Plan Benefits

The Corporation does not provide retirement benefits for directors or executive officers.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

Management service contracts between the Corporation and its executive officers set out base compensation, bonus, stock option, benefits and termination provisions. The executive officers as of the date of this information circular are Edward Ellwood, President and CEO and Mr. Eric Plexman, CFO and Secretary. The executive officers held management contracts during the year ended December 31, 2022 but were not fully paid under these contracts and some amounts were accrued. All base fees that remain unpaid after two years will be written-off at the end of each fiscal year of the Company, starting with the fiscal year ending December 31, 2020.

If Mr. Ellwood's agreement is terminated without cause, he is entitled to one (1) year of his then base annual fee, plus one twelfth (1/12th) of his then base annual fee for each year of service with the Corporation after April 1, 2010, in any capacity, plus a continuation of insurance provided by the Corporation's health, life, and LTD insurance coverage program for a period as specified by the Ontario *Employment Standards Act*. In the event Mr. Ellwood is terminated for "just cause", he shall receive any payments specified by the Ontario *Employment Standards Act*. In the event that

the Corporation is acquired or is the non-surviving party in a merger, Mr. Ellwood's positions shall be considered terminated and he will be entitled to two (2) years then base annual fees.

If the agreement with Mr. Plexman is terminated without cause, he is entitled to one (1) year of his then base annual fee, plus one twelfth (1/12th) of his then base annual fee for each year of service with the Corporation in any capacity after July 1, 2010, plus a continuation of insurance provided by the Corporation's health, life, and LTD insurance coverage program for a period as specified by the Ontario *Employment Standards Act*. In the event Mr. Plexman is terminated for "just cause", he shall receive any payments specified by the Ontario *Employment Standards Act*. In the event that the Corporation is acquired or is the non-surviving party in a merger, his position shall be considered terminated and he will be entitled to two (2) years then base annual fees.

DIRECTOR COMPENSATION

Directors of the Corporation are currently paid \$20,000 per fiscal year for their services as directors. Each director and each member of a board-appointed committee of directors is paid \$250.00 for each meeting of the board or board-appointed committee attended by that director or committee member where formal minutes are taken. Three directors who are also officers elected to permanently opt out of eligibility for director fees effective June 1, 2014 so long as they are receiving management fees. Directors are entitled to receive compensation from the Corporation to the extent that they provide other services to the Corporation and any such compensation is based on rates that would be charged by such directors for such services to arm's length parties.

Directors are also entitled to participate in the Corporation's existing stock option plan and, at the time of joining the board, directors may be granted options to purchase Common Shares.

The directors have agreed that all director fees that remain unpaid after two years be written-off at the end of each fiscal year of the Corporation, starting with the fiscal year ending December 31, 2013.

Director compensation table 2022

Name (1)	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)⁽⁴⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Kent Britton	\$20,250	Nil	\$7,000	Nil	Nil	Nil	\$27,250 ⁽²⁾
Richard Capps	\$20,500	Nil	Nil	Nil	Nil	Nil	\$20,500 ⁽²⁾
John O'Donnell	\$22,000	Nil	Nil	Nil	Nil	Nil	\$22,000 ⁽²⁾
Paul Teodorovici ⁽³⁾	Nil	Nil	\$12,600	Nil	Nil	\$120,000 ⁽³⁾	\$132,600 ⁽³⁾
Clifford Wiebe	\$20,750	Nil	\$7,000	Nil	Nil	Nil	\$27,750 ⁽²⁾

Notes:

- (1) Compensation for Edward Ellwood and Eric Plexman is disclosed in Summary Compensation Table in Executive Compensation section.
- (2) All 2022 director fees were accrued.
- (3) Mr. Teodorovici received compensation in the amount of \$120,000 as Executive Vice-President. Management fees for Mr. Teodorovici totalling \$150,000 were unpaid at December 31, 2022.

Share-based awards, option-based awards and non-equity incentive plan compensation

The following table sets out the outstanding share options held by the directors as at December 31, 2022:

Name	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 ⁽¹⁾ (\$)	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Kent Britton	100,000	\$0.10	June 7, 2024	\$1,500	Nil	Nil
	100,000	\$0.10	June 7, 2024	\$1,500	Nil	Nil
	50,000	\$0.135	Dec. 18, 2025	Nil	Nil	Nil
	250,000	\$0.10	June 10, 2027	\$3,750	Nil	Nil
Richard Capps	450,000	\$0.10	June 7, 2024	\$6,750	Nil	Nil
	1,350,000	\$0.135	Dec. 18, 2025	Nil	Nil	Nil
John O'Donnell	1,000,000	\$0.12	May 30, 2023	Nil	Nil	Nil
	800,000	\$0.10	June 7, 2024	\$12,000	Nil	Nil
	50,000	\$0.135	Dec. 18, 2025	Nil	Nil	Nil
Paul Teodorovici	500,000	\$0.10	Dec. 5, 2023	\$7,500	Nil	Nil
	250,000	\$0.10	June 7, 2024	\$3,750	Nil	Nil
	100,000	\$0.10	June 7, 2024	\$1,500	Nil	Nil
	500,000	\$0.135	Dec. 18, 2025	Nil	Nil	Nil
	450,000	\$0.10	June 10, 2027	\$6,750	Nil	Nil
Clifford Wiebe	200,000	\$0.10	June 7, 2024	Nil	Nil	Nil
	50,000	\$0.135	Dec. 18, 2025	Nil	Nil	Nil
	250,000	\$0.10	June 10, 2027	\$3,750	Nil	Nil

Notes:

(1) The closing market price (bid) of the Corporation's common shares on the CSE on December 31, 2022 was \$0.115.

Director Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Kent Britton	Nil	Nil	Nil
Luard Manning	Nil	Nil	Nil
Richard Capps	Nil	Nil	Nil
John O'Donnell	Nil	Nil	Nil
Paul Teodorovici	Nil	Nil	Nil
Clifford Wiebe	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding the number of securities authorized for issuance under the Corporation's stock option plan, as at the end of the Corporation's most recently completed financial year ended December 31, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	9,550,000	\$0.11	2,344,764
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	9,550,000		1,233,442

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former executive officer, director or employee of the Corporation or any of its subsidiaries, or any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such executive officer, director or proposed nominee, is or has been indebted to the Corporation or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Corporation or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Corporation.

POTENTIAL CONFLICTS OF INTEREST

Some of the directors and officers of the Corporation also serve as directors and officers of other companies. Consequently, there exists a possibility for any such director or officer to be placed in a position of conflict. Each such director or officer is subject to fiduciary duties and obligations to act honestly and in good faith with a view to the best interests of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, no informed person of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

APPOINTMENT OF AUDITORS

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote for the re-appointment of RSM Canada LLP, 11 King Street West, Suite 700, Box 27, Toronto, Ontario M5H 4C7, as auditors of the Corporation to hold office for the fiscal year ending December 31, 2023 at a remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

Management functions of the Corporation or any subsidiary of the Corporation are not, to any substantial degree, performed by a person other than the directors or senior officers of the Corporation or its subsidiaries.

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

No director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any

matter to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Corporation.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

SECURITY-BASED COMPENSATION PLAN

Shareholders have previously approved a rolling ten percent (10%) stock option plan (“Option Plan”).

At this year’s meeting, the Shareholders will be asked to approve the adoption of a new security-based compensation plan (the “Compensation PlanTM”) for directors, officers, employees, management company employees and consultants. The Compensation Plan allows for the Company to implement a stock option plan (“Option Plan”), deferred share unit plan (“DSU Plan”) and restricted share unit plan (“RSU Plan”), and/or any other security-based compensation plan (together “Listed Share”) that is acceptable to the regulatory authorities, including the Canadian Securities Exchange (the “Exchange”) any other stock exchange where the shares of the Company may be listed. If implemented by the Company, the Compensation Plan will replace the existing Option Plan. Outstanding stock option agreements will be rolled into the Compensation Plan.

The Compensation Plan is a hybrid plan (10%) percent rolling and fixed up to 10%, and the text of the Compensation Plan is attached to this Circular as Schedule “C”. Accordingly, shareholders will be asked to pass a special resolution approving the Company’s Compensation. The following is a summary of certain provisions of the Compensation Plan and is subject to, and qualified in its entirety by, the full text of the Compensation Plan:

- (a) the maximum aggregate number of Listed Shares that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) must not exceed 10% of the Issued Shares of the Issuer at any point in time;
- (b) the maximum aggregate number of Listed Shares issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the Issued Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider;
- (c) the maximum aggregate number of Listed Shares issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one Person (and where permitted under this Policy, any Companies that are wholly owned by that Person) must not exceed 5% of the Issued Shares of the Issuer, calculated as at the date an any Security Based Compensation is granted or issued to the Person);
- (d) the maximum aggregate number of Listed Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one Consultant must not exceed 2% of the Issued Shares of the Issuer, calculated as at the date any Security Based Compensation is granted or issued to the Consultant;
- (e) Investor Relations Service Providers may not receive any Security Based Compensation, other than Stock Options;
- (f) Upon expiry of a Stock Option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Option Plan. All Options granted under the Option Plan may not have an expiry date exceeding ten (10) years from the date on which the Board grants and announces the granting of the Option;
- (g) if a provision is included that the Participant’s heirs or administrators are entitled to any portion of the outstanding Security Based Compensation, the period in which they can make such claim must not exceed one year from the Participant’s death;
- (h) any Security Based Compensation granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Security Based Compensation Plan.

The implementation of the Compensation Plan remains subject to the ratification by the shareholders of the Company and approval of the Exchange.

The Compensation Plan Resolution

At the Meeting, Shareholders will be asked to pass the following special Resolution to approve the Compensation Plan (the “**Compensation Plan Resolution**”), substantially in the following form:

“BE IT RESOLVED THAT as a special resolution of the Company that;

1. subject to regulatory approval, the Compensation Plan, in substantially the form as attached as Schedule “C” to the management information circular of the Company dated May 30, 2023, be and is hereby ratified, confirmed and approved, subject to any amendments as may be required by the Exchange and with such additional provisions and amendments, provided that such are not inconsistent with the Policies of the Exchange, or as the directors of the Company may deem necessary or advisable;
2. all issued and outstanding stock options of the Company previously granted shall be continued under and governed by the Compensation Plan; and
3. the directors of the Company be authorized to perform all such other acts and things as may be necessary or desirable to effect the adoption of the Compensation Plan; and that the directors of the Company be authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by shareholders.”

Management recommends that Shareholders approve the Compensation Plan Resolution. If the Compensation Plan Resolution is approved by Shareholders, the Directors will have the authority, in their sole discretion, to implement or revoke the Compensation Plan Resolution and otherwise implement or abandon the Compensation Plan.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the Compensation Plan Resolution.

ADVANCE NOTICE FOR NOMINATION OF DIRECTORS

The Company is committed to: (i) facilitating an orderly and efficient annual or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; (iii) allowing the Company and shareholders to evaluate all nominees’ qualifications and suitability as a director of the Company; and (iv) allowing shareholders to cast an informed vote.

The purpose of this Advance Notice By-law (the “**By-law**”), the full text of which is contained in Schedule D, is to provide shareholders, directors and management of the Company with guidance on the nomination of directors. This By-law is the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

It is the position of the Company that this By-law is beneficial to shareholders and other stakeholders.

At the Meeting, Shareholders will be asked to pass the following special resolution to approve the By-Law “**By-Law Resolution**”), substantially in the following form:

“BE IT RESOLVED THAT as a special resolution of the Company that;

1. subject to regulatory approval, the By-Law, in substantially the form as attached as Schedule “D” to the management information circular of the Company dated May 30, 2023, be and is hereby ratified, confirmed and approved, subject to any amendments as may be required, or as the directors of the Company may deem necessary or advisable; and

2. the directors of the Company be authorized to perform all such other acts and things as may be necessary or desirable to effect the adoption of the By-Law; and that the directors of the Company be authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by shareholders.”

AUDIT COMMITTEE

Relationship with Auditors

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation’s Audit Committee and its relationship with the Corporation’s independent auditors.

Audit Committee Charter

The Audit Committee Charter is annexed hereto as Schedule “A”.

Composition of the Audit Committee

The Corporation’s Audit Committee is comprised of three (3) directors. The current members of the audit committee of the Corporation are Kent Britton, Richard Capps and Clifford Wiebe. As defined in NI 52-110, all the audit committee members are “financially literate”. They have the industry experience necessary to understand and analyze financial statements of the level of complexity of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting. Mr. Britton, Mr. Capps and Mr. Wiebe are independent.

Relevant Education and Experience

Kent Britton

Mr. Britton has a B.A. Economics and has passed Level 2 of the Chartered Financial Analysts (CFA) Program. From November 2007 to November 2009, Mr. Britton served as Chief Operating Officer, Asia for Walton International Group, and was responsible for operations with US \$180+ million in sales, 30,000 clients, 1,100 staff and 6 offices spanning 4 countries. Prior to becoming COO, Asia, Mr. Britton served as Chief Administrative Officer and Senior VP Operations. Mr. Britton also has extensive experience as an investor relations professional. Prior to working with the company above, Mr. Britton spent ten years working for Canadian listed companies, investor relations firms, and was a partner in his own investor relations firm. From 2012 to September 2017 Mr. Britton was a Managing Director of Stony Mountain Waste, a growing waste management company in Alberta. During that time he was responsible for all facets of the business which grew from revenues of \$1 million per year to over \$24 million.

Richard Capps, PHD, RPG, SME REG. GEO.

Mr. Capps has over 30 years of field and management experience in gold, base metals, uranium, and industrial minerals exploration and development in Nevada, California, Montana, Kansas, Arizona, southeastern United States, Suriname and Mexico. Mr. Capps has been an important team member in the discovery of mines in production today.

Clifford Wiebe

Mr. Wiebe has diplomas in Business Administration and Computer Analyst Programmer. Mr. Wiebe has been in the information technology industry for over 29 years, including 17 with IBM Canada. His role as Business Consultant takes him across the country identifying problem trends and pitfalls and putting corrective plans in place with an emphasis on profitability and customer satisfaction.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed fiscal year, the Corporation’s board of directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed fiscal year and the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in section 2.4 or section 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total amount of fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

Pre-Approved Policies and Procedures

The Corporation has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

Exemption

The Corporation is relying on the exemption in Section 6.1 of NI 52-110 that provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees including GST (by category)

The aggregate fees billed by the Corporation's external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2022	\$45,000	\$3,150		
December 31, 2021	\$33,000	\$2,310		

Notes:

- (1) Fees paid for services provided in auditing the Corporation's annual financial statements. The audit fee for 2023 has not yet been proposed by the auditors of the Corporation and is subject to review and approval by the audit committee.
- (2) Fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit, review or quarterly read of the Corporation's statements.
- (3) Fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.
- (4) Fees billed by the auditors for products and services not included in the foregoing categories.

STATEMENT OF CORPORATE GOVERNANCE PRACTICE

The Ontario Securities Commission has issued guidelines on corporate guidance disclosure for Venture Issuers as set out in Form 58-101F2 (the "Disclosure"). The Disclosure addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The Corporation's approach to corporate governance in the context of the eight (8) specific Disclosure issues outlined in Form 58-101F2 is set out in the attached Schedule "B".

Similar duties and obligations will apply to such other companies. Thus, any future transaction between the Corporation and such other companies will be for bona fide business purposes and approved by a majority of disinterested directors of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of the Circular and the mailing of it to holders of Common Shares of the Corporation, to each director of the Corporation, to the auditors of the Corporation, and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including documents incorporated by reference, is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's accompanying comparative financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2022.

Copies of the Corporation's financial statements and MD&A may also be obtained from the Corporation by making a request in writing to the Corporation at 380 Wellington Street, Tower B, 6th Floor, London, Ontario N6A 5B5, fax (519) 964-2701 Attention: Edward Ellwood, Chief Executive Officer.

The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DATED at London, Ontario this 30th day of May, 2023.

BY ORDER OF THE BOARD

(Signed) "Edward Ellwood"

Edward Ellwood, President and CEO

**Schedule “A”
AUDIT COMMITTEE CHARTER
(the “Charter”)**

Mandate

The primary function of the audit committee is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the audit committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The audit committee’s primary duties and responsibilities are to:

1. serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control systems and review the Corporation’s financial statements;
2. review and appraise the performance of the Corporation’s external auditors; and
3. provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the board of directors.

Composition

The audit committee shall be comprised of at least three directors as determined by the board of directors, the majority of whom shall meet the legal requirements applicable to the composition of the audit committee. At least one member of the audit committee shall have accounting or related financial management expertise. All members of the audit committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Corporation’s financial statements. The members of the audit committee shall be elected annually by the board of directors at its first meeting following the annual shareholders’ meeting.

Meetings

The audit committee shall meet with the frequency that the audit committee determines appropriate.

Responsibilities and Duties

To fulfil its responsibilities and duties, the audit committee shall:

Documents/Reports Review

1. Review and, if necessary, update the Charter annually.
2. Review the Corporation’s financial statements, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, or review rendered by the external auditors.
3. Confirm 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.

External Auditors

1. Review annually, the performance of the external auditors who shall be ultimately accountable to the board of directors and the audit committee as representatives of the shareholders of the Corporation.
2. Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1 or succeeding policy.
3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
4. Take, or recommend that the full board of directors take, appropriate action to oversee the independence of the external auditors.
5. Recommend to the board of directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
7. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
8. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (c) such services are promptly brought to the attention of the audit committee by the Corporation and approved prior to the completion of the audit by the audit committee or by one or more members of the audit committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the audit committee. Provided the pre-approval of the non-audit services is presented to the audit committee's first scheduled meeting following such approval, such authority may be delegated by the audit committee to one or more independent members of the audit committee.

Financial Reporting Processes

1. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

Schedule “B”

Statement of Corporate Governance Disclosure

The following description of the governance practices of the Corporation is provided in accordance with the guidelines of Multilateral Instrument 58-101, as set out in Form 58-101F2 (the “Form 58-101F2 Guidelines”). The Form 58-101F2 Guidelines address matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The directors of the Corporation will continue to monitor the developments and the various changes to the proposed corporate governance guidelines and best practices and where applicable will amend its corporate governance guidelines accordingly.

Form 58-101F2 Guideline

1. Board of Directors

Disclose how the board of directors facilitates its exercise of independent supervision over management, including: (a) the identity of directors that are independent, and (b) the identity of directors who are not independent, and the basis for that determination.

Response of the Corporation: The board of directors currently consists of seven directors, of whom Kent Britton, Richard C. Capps, John F. O’Donnell and Clifford A. Wiebe are independent. None of the unrelated directors has any direct or indirect material relationship with the Corporation (other than shareholdings) which could, in the view of the Corporation’s board of directors, reasonably interfere with the exercise of a director’s independent judgment. Messrs. Ellwood, Plexman and Teodorovici are not independent. Edward Ellwood is the CEO of the Corporation, Eric Plexman is the CFO and Secretary of the Corporation and Paul Teodorovici is Executive Vice-President of the Corporation and are, therefore, not independent directors.

2. Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Response of the Corporation:

John F. O’Donnell serves as a director for the following additional issuers: AFR NuVenture Resources Inc.
Enerev5 Metals Inc.
PNG Copper Inc.

3. Orientation and Continuing Education

Describe what steps, if any, the board of directors takes to orient new board members and describe any measures the board of directors takes to provide continuing education for directors.

Response of the Corporation: Orientation and education of new members of the board of directors is conducted informally by management and members of the board of directors. The orientation provides background information on the Corporation’s history, performance and strategic plans.

4. Ethical Business Conduct

Describe what steps, if any, the board of directors takes to encourage and promote a culture of ethical business conduct.

Response of the Corporation: The board of directors has appointed a Corporate Governance Committee and adopted a Corporate Governance Charter. The requirements of the audit committee charter and the ability of the members of the board of directors to reference outside professional advisors also facilitate the Corporation meeting ethical business standards.

5. Nomination of Directors

Disclose what steps, if any, are taken to identify new candidates for the board of directors nomination, including: (a) who identifies new candidates; and (b) the process of identifying new candidates.

Response of the Corporation: Given the size of the board of directors and nature of development of the Corporation's business, the board of directors has not appointed a nomination committee or put in place formal procedures for the identification of new board of directors member candidates.

6. Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including: (a) who determines compensation; and (b) the process of determining compensation.

Response of the Corporation: The board of directors as a whole determines the stock option grants for each director. The independent members of the board of directors review on an ongoing basis, the compensation of the senior officers to ensure that it is competitive. A Compensation Committee of the board has been formed to assist the board determine compensation.

7. Other Board Committees

If the board of directors has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

Response of the Corporation: In addition to its audit committee and compensation committee, the board has established the following standing committees:

- a) Corporate Governance & Disclosure Policy Committees to: develop and recommend to the Board appropriate corporate governance principles for the Corporation; recommend to the Board procedures for the conduct of Board meetings and the proper discharge of the Board's mandate; oversee the annual review of the Board, its committees' and individual directors' performance and the assessment of the Board and committees charters, and; undertake such other initiatives that may be necessary or desirable to enable the Board to provide effective corporate governance as well as aid in the timely, orderly, consistent, fair and credible dissemination of information, in keeping with legal and regulatory requirements.
- b) Health, Safety & Environmental Committee to: assist the Board in obtaining assurance that appropriate systems are in place to deal with the management of safety, health and environmental risks.

8. Assessments

Disclose what steps, if any, that the board of directors takes to satisfy itself that the board of directors, its committees, and its individual directors are performing effectively.

Response of the Corporation: The board of directors has formed a Corporate Governance Committee to supervise and monitor the performance of the board and individual directors.

SCHEDULE “C”

SECURITY-BASED COMPENSATION PLAN

PELTON MINERALS CORPORATION OMNIBUS INCENTIVE PLAN

Peloton Minerals Corporation (the “Company”) hereby establishes an omnibus incentive plan for certain qualified directors, executive officers, employees or Consultants of the Company or any of its Subsidiaries.

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Account**” means an account maintained for each Participant on the books of the Company which will be credited with Awards in accordance with the terms of this Plan;

“**Affiliates**” has the meaning ascribed thereto in National Instrument 45-106 — Prospectus Exemptions;

“**Annual Base Compensation**” means an annual compensation amount payable to directors and executive officers, as established from time to time by the Board.

“**Award**” means any of an Option, DSU, ISO, RSU or SAR granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when pursuant to any policies of the Company (including the Company’s insider trading policy), any securities of the Company may not be traded by certain Persons designated by the Company;

“**Board**” has the meaning ascribed thereto in Section 2.2(1) hereof;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in London, Ontario for the transaction of banking business;

“**Cash Equivalent**” means the amount of money equal to the Market Value multiplied by the number of vested RSUs or DSUs, as applicable, in the Participant’s Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date or the Filing Date, as applicable;

“**Cashless Exercise Right**” has the meaning ascribed thereto in Section 3.6(3) hereof;

“**Cause**” has the meaning ascribed thereto in Section 6.2(1) hereof;

“**Change of Control**” means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires for the first time the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Company under any of the Company’s equity incentive plans;

(ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its wholly-owned Subsidiaries;

(iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);

(v) individuals who, on the Effective Date, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

"Company" means Peloton Minerals Corporation, a corporation existing under the Ontario Business Corporations Act, as amended from time to time;

"Consultant" means a person, other than an employee, executive officer or director of the Company or a Subsidiary, that provides ongoing services to the Company, and includes for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, or a partnership of which the individual Consultant is an employee or partner;

"Consulting Agreement" means, with respect to any Participant, any written consulting agreement between the Company or a Subsidiary and such Participant;

"Dividend Equivalent" means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant's Account;

"DSU" or "Deferred Share Unit" means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof upon Termination of Service, as provided in Article 5 and subject to the terms and conditions of this Plan;

“DSU Agreement” means a document evidencing the grant of DSUs and the terms and conditions thereof;

“DSU Settlement Amount” means the amount of Shares, Cash Equivalent, or combination thereof, calculated in accordance with Section 5.6, to be paid to settle a DSU Award after the Filing Date;

“Eligibility Date” the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Company by the insurance company providing such long-term disability benefits);

“Eligible Participants” means any director, executive officer, employee or Consultant of the Company or any of its Subsidiaries, but for the purposes of Article 5, this definition shall be limited to directors and executive officers of the Company or any of its Subsidiaries;

“Employment Agreement” means, with respect to any Participant, any written employment agreement between the Company or a Subsidiary and such Participant;

“Exercise Notice” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

“Filing Date” has the meaning set out in Section 5.1 or Section 5.3(3), as applicable;

“Full Value Award” means a DSU or an RSU;

“Grant Agreement” means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, an RSU Agreement, an Employment Agreement or a Consulting Agreement;

“Incentive Stock Option” or **“ISO”** means an Option that is granted to a U.S. Participant, as described in Section 3.8;

“Insider” has the meaning set out in the applicable rules and policies of the Stock Exchange;

“Market Value” means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on a Stock Exchange, the volume weighted average trading price of the Shares on such Stock Exchange for the five trading days immediately preceding the relevant time as it relates to an Award; or (ii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons;

“Option” means an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof, and includes an ISO;

“Option Agreement” means a document evidencing the grant of Options and the terms and conditions thereof;

“Option Price” has the meaning ascribed thereto in Section 3.2 hereof;

“Option Term” has the meaning ascribed thereto in Section 3.4 hereof;

“Outstanding Issue” means the number of Shares that are issued and outstanding, on a non-diluted basis;

“Participants” means Eligible Participants that are granted Awards under the Plan;

“Performance Criteria” means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award;

“Performance Period” means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

“Person” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“Plan” means this Peloton Minerals Corporation Omnibus Incentive Plan, including any amendments or supplements hereto made after the effective date hereof;

“Restriction Period” means the period determined by the Board pursuant to Section 4.3 hereof;

“RSU” means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“RSU Agreement” means a document evidencing the grant of RSUs and the terms and conditions thereof;

“RSU Settlement Date” has the meaning determined in Section 4.5(1);

“RSU Vesting Determination Date” has the meaning described thereto in Section 4.4 hereof;

“SAR” means a Share Appreciation Right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof as provided in Article 6 hereof and subject to the terms and conditions of this Plan;

“SAR Agreement” means a document evidencing the grant of SARs and the terms and conditions thereof;

“Share Appreciation Right Base Amount” means the amount with respect to a Share Appreciation Right to be utilized in the calculations set forth in Section 6.1 below.

“Shares” means the common shares in the share capital of the Company;

“Share Compensation Arrangement” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more directors, officers, Insiders, Consultants or full-time employees of the Company or a Subsidiary including a share purchase from treasury by a director, officer, Insider, Consultant or full-time employee, which is financially assisted by the Company or a Subsidiary by way of a loan, guarantee or otherwise provided, however, that any such arrangements that do not involve the issuance from treasury or potential issuance from treasury of Shares of the Company are not “Share Compensation Arrangements” for the purposes of this Plan;

“Stock Exchange” means the stock exchange on which the majority of the trading volume and value of the Shares occurs, at the applicable time;

“Stock Exchange Share Limits” means: (i) the maximum number of Shares issuable to any one Participant under Awards in a 12-month period shall not exceed 5% of the Outstanding Issue (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of Shares issuable to any one Consultant in a 12-month period shall not exceed 2% of the Outstanding Issue; and (iii) Investor Relations Services Providers (within the meaning of the policies of the TSX Venture Exchange or other stock exchange on which the Shares may be listed) may only be granted Options under an Award and the maximum number of Shares issuable to all Investor Relations Services Providers under any Options awarded shall not exceed 2% of the Outstanding Issue in any 12-month period, in each case measured as of the date of grant of an Award;

“Subsidiary” means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

“Tax Act” means the Income Tax Act (Canada) and its regulations thereunder, as amended from time to time;

“Termination” means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by, or otherwise have a service relationship with, the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

“Termination Date” means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Company or one of its Subsidiaries and (ii) in the event of the termination of the Participant’s employment, or position as director, executive or officer of the Company or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or the Subsidiary, as the case may be, and, for greater certainty, without regard to any period of notice, pay in lieu of notice, or severance that may follow the Termination Date pursuant to the terms of the Participant’s employment or services agreement (if any), the applicable employment standards legislation or the common law (if applicable), and regardless of whether the Termination was lawful or unlawful, except as may otherwise be required to meet minimum standards prescribed by the applicable standards legislation;

“Termination of Service” means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by the Company or has ceased providing ongoing services as a Consultant to the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

“Trading Session” means a trading session on a day which the applicable Stock Exchange is open for trading;

“United States” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

“U.S. Participant” means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from United States income taxation under the relevant provisions of the U.S. Tax Code or the Canada-U.S. Income Tax Convention, as amended;

“U.S. Securities Act” means the United States Securities Act of 1933, as amended; and

“U.S. Tax Code” means the United States Internal Revenue Code of 1986, as amended; and

“Vested Awards” has the meaning described thereto in Section 6.2(5) hereof.

Section 1.2 Interpretation.

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (4) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (5) Unless otherwise specified in the Participant’s Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

Section 2.1 Purpose of the Plan.

The purpose of the Plan is to permit the Company to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Company’s welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and
- (d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

Section 2.2 Implementation and Administration of the Plan.

- (1) The Plan shall be administered and interpreted by the board of directors of the Company (the “**Board**”) or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the “Board” herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation

arrangements, subject to any required approval.

- (2) Subject to Article 8 and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Company, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Company, its Subsidiaries and all Eligible Participants.
- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Company. For greater clarity, the Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

Section 2.3 Participation in this Plan.

- (1) The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.
- (3) Unless otherwise determined by the Board, the Company shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.
- (4) The Board may also require that any Eligible Participant in the Plan provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable laws, including, without limitation, exemptions from the registration requirements of the U.S. Securities Act, and applicable

U.S. state securities laws.

- (5) In connection with an Award to be granted to any Eligible Participant, it shall be the responsibility of such person and the Company to confirm that such person is a bona fide Eligible Participant for the purposes of participation under the Plan.

Section 2.4 Shares Subject to the Plan.

- (1) Subject to adjustment pursuant to Article 8 hereof, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (2) The maximum number of Shares issuable at any time pursuant to outstanding Awards under this Plan shall be equal to the following:
 - (a) 10% of the Outstanding Issue issued pursuant to Options, as measured as at the date of any Option grant; and
 - (b) 11,894,745 pursuant to all such Share Compensation Arrangements, other than in connection with the grant of Options under the Plan;
- (3) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.
- (4) The Plan is an “evergreen” plan, as Shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

Section 2.5 Limits with Respect to other Share Compensation Arrangements, Insiders, Individual Limits, and Annual Grant Limits.

- (1) The maximum number of Shares issuable pursuant to this Plan and any other Share Compensation Arrangement shall not exceed the limits set out in Section 2.4(2).
- (2) The maximum number of Shares issuable to Eligible Participants who are Insiders, at any time, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (3) The maximum number of Shares issued to Eligible Participants who are Insiders, within any one-year period, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (4) Subject to the policies of the applicable Stock Exchange, any Award granted pursuant to the Plan, or securities issued under any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be excluded from the purposes of the limits set out in Section 2.5(2) and Section 2.5(3).
- (5) The Stock Exchange Share Limits shall apply to the Shares issued or issuable under any Award granted under the Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the Stock Exchange.

Section 2.6 Granting of Awards.

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

Section 2.7 TSX Venture Exchange Vesting Restrictions

Vesting of Awards and Options will follow the policies of the TSX Venture Exchange such that:

- (a) no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction; and
- (b) any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange or in accordance with the vesting restrictions of the policies of any other stock exchange on which the Shares may be listed.

ARTICLE 3 OPTIONS

Section 3.1 Nature of Options.

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

Section 3.2 Option Awards.

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the "Option Price") and the relevant vesting provisions (including Performance Criteria, if applicable) and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of a Stock Exchange.

Section 3.3 Option Price.

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

Section 3.4 Option Term.

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten years from the date the Option is granted ("Option Term").
- (2) Should the expiration date for an Option fall within a Black-Out Period or within ten Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the

Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan.

Section 3.5 Exercise of Options.

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with any insider trading policies implemented by the Company.

Section 3.6 Method of Exercise and Payment of Purchase Price.

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the Corporate Secretary of the Company (or the individual that the Corporate Secretary of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 8.2, the amount necessary to satisfy any taxes.
- (2) Upon the exercise, the Company shall, as soon as practicable after such exercise but no later than ten Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:
 - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
 - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.
- (3) Subject to the rules and policies of the Stock Exchange, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to terminate such Option in whole or in part by notice in writing to the Company and in lieu of receiving Shares pursuant to the exercise of the Option, receive, without payment of any cash other than pursuant to Section 8.2
 - (a) that number of Shares, disregarding fractions, which when multiplied by the Market Value on the day immediately prior to the exercise of the Cashless Exercise Right, have a total value equal to the product of that number of Shares subject to the Option multiplied by the difference between the Market Value on the day immediately prior to the exercise of the Cashless Exercise Right and the Option Price; or
 - (b) a cash payment equal to the difference between the Market Value on the day immediately prior to the date of the exercise of the Cashless Exercise Right, and the Option Price, less applicable

withholding taxes as determined and calculated by the Company, excluding fractions.

- (4) In the event the Company determines to accept the Participant's request pursuant to a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the Tax Act.

Section 3.7 Option Agreements.

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement may contain any such terms that the Company considers necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 3.8 Incentive Stock Options.

- (1) ISOs are available only for Participants who are employees of the Company, or a "parent corporation" or "subsidiary corporation" (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. In addition, a Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as provided in this Section 3.8(1). A Participant's employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three months, or the Participant's return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option's term. Nothing in this Section 3.8(1) will be deemed to extend the original expiry date of an Option.
- (2) A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the U.S. Tax Code, Shares possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an Option that is an ISO unless the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and the Option is not exercisable after the expiration of five (5) years from the date of grant.
- (3) To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable Option Agreement.

ARTICLE 4 RESTRICTED SHARE UNITS

Section 4.1 Nature of RSUs.

A "Restricted Share Unit" (or "RSU") is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Participant to acquire Shares as determined by the Board or to receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria. Unless otherwise determined by the Board in its discretion, the Award of an RSU is considered a bonus for services rendered in the calendar year in which the Award is made.

Section 4.2 RSU Awards.

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions

and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such RSUs, (provided, however, that no such Restriction Period shall exceed the 3 years referenced in Section 4.3) and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.

- (2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each vested RSU awarded to a Participant shall entitle the Participant to receive one Share, the Cash Equivalent or a combination thereof upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the Restriction Period. For greater certainty, RSUs that are subject to Performance Criteria might not become fully vested by the last day of the Restricted Period.

Section 4.3 Restriction Period.

The applicable restriction period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than the 31st of December of the calendar year which commences three years after the calendar year in which the performance of services for which such RSU is granted, occurred (“Restriction PeriodTM”). All unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.4) and, in any event: (i) all unvested RSUs shall be cancelled no later than the last day of the Restriction Period.

Section 4.4 RSU Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU have been met (the “RSU Vesting Determination Date”), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than; (i) the 15th of December of the calendar year which commences three years after the calendar year in which the performance of services for which such RSU is granted, occurred. Notwithstanding the foregoing, for any U.S. Participant, the RSU Vesting Determination Date shall occur no later than March 15 of the calendar year following the end of the Performance Period.

Section 4.5 Settlement of RSUs.

- (1) Except as otherwise provided in the RSU Agreement, all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten Business Days following their RSU Vesting Determination Date and no later than the end of the Restriction Period (the “**RSU Settlement Date**”).
- (2) Settlement of RSUs shall take place promptly following the RSU Settlement Date and no later than the end of the Restriction Period, and shall take the form determined by the Board, in its sole discretion. Settlement of RSUs shall be subject to Section 8.2 and shall take place through:
 - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of RSUs for Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board):
 - i. delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or

- ii. in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
 - (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) Notwithstanding the foregoing, for any U.S. Participant, the RSU Settlement Date and delivery of Shares or Cash Equivalent, if any, shall each occur no later than March 15 of the calendar year following the end of the Performance Period.

Section 4.6 Determination of Amounts.

- (1) For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account to settle in Shares.

Section 4.7 RSU Agreements.

RSUs shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement may contain any such terms that the Company considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 4.8 Award of Dividend Equivalents.

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Company's account.

**ARTICLE 5
DEFERRED SHARE UNITS**

Section 5.1 Nature of DSUs.

A Deferred Share Unit is an Award attributable to a Participant's duties as a director or executive officer of the Company or a Subsidiary and that, upon settlement, entitles the recipient Participant to receive such number of Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

Section 5.2 DSU Awards.

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSU Awards under the Plan, and (ii) fix the number of DSU Awards to be granted to each Eligible Participant and the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in

this Plan and in any DSU Agreement. Each DSU awarded shall entitle the Participant to one Share, or the Cash Equivalent, or a combination thereof.

Section 5.3 Payment of Annual Base Compensation.

- (1) Each Participant may elect to receive in DSUs any portion or all of their Annual Base Compensation by completing and delivering a written election to the Company on or before the 15th day of November of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.
- (2) Further, where an individual becomes a Participant for the first time during a fiscal year and, for individuals that are U.S. Participants, such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A of the U.S. Tax Code, such individual may elect to defer Annual Base Compensation with respect to fiscal quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than thirty days after the later of the Plan's adoption or such individual's appointment as a Participant. For greater certainty, new Participants will not be entitled to receive DSUs for any Annual Base Compensation earned pursuant to an election for the quarter in which they submit their first election to the Company or any previous quarter.
- (3) All DSUs granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable (the "Grant Date").
- (4) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Value of the Shares. Fractional Deferred Share Units will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Section 5.4 Additional Deferred Share Units.

In addition to DSUs granted pursuant to Section 5.3, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services they render to the Company. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. An award of DSUs pursuant to this Section 5.4 shall be subject to a DSU Agreement evidencing the Award and the terms applicable thereto.

Section 5.5 Settlement of DSUs.

- (1) A Participant may receive their Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon Termination of Service, by filing a redemption notice on or before the 15th day of December of the first calendar year commencing after the date of the Participant's Termination of Service. Notwithstanding the foregoing, if any Participant does not file such notice on or before that 15th day of December, the Participant will be deemed to have filed the redemption notice on 15th day of December (the date of the filing or deemed filing of the redemption notice, the "Filing Date"). In all cases for each U.S. Participant, the U.S. Participant will be deemed to have filed the redemption notice on the date of their Termination of Service.
- (2) The Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the end of the first calendar year commencing after the Participant's Termination of Service. In all cases for each U.S. Participant, the Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the 1st day of March of the calendar year following Termination of Service.

- (3) In the event of the death of a Participant, the Company will, subject to Section 8.2, make payment of the DSU Settlement Amount within two months of the Participant's death to or for the benefit of the legal representative of the deceased Participant. For the purposes of the calculation of the Settlement Amount, the Filing Date shall be the date of the Participant's death.
- (4) Subject to the terms of the DSU Award Agreement, including the satisfaction or, at the discretion of the Board, waiver of any vesting conditions, settlement of DSUs shall take place promptly following the Filing Date, and take the form as determined by the Board, in its sole discretion. Settlement of DSUs shall be subject to Section 8.2 and shall take place through:
 - (a) in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of DSUs for Shares:
 - i. delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
 - ii. in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
 - (c) in the case of settlement of the DSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

Section 5.6 Determination of DSU Settlement Amount.

- (1) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 5.5 such calculation will be made on the Filing Date based on the Market Value on the Filing Date multiplied by the number of vested DSUs in the Participant's Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of DSUs pursuant to Section 5.5, such calculation will be made on the Filing Date based on the whole number of Shares equal to the whole number of vested DSUs then recorded in the Participant's Account to settle in Shares.

Section 5.7 DSU Agreements.

DSUs shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement may contain any such terms that the Company considers necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 5.8 Award of Dividend Equivalents.

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date.

**ARTICLE 6
SHARE APPRECIATION RIGHTS**

Section 6.1 Nature of SARs.

A “Share Appreciation Right” (or “SAR”) is an Award granted under Section 6 which entitles the recipient to receive an amount equal to the excess of the Fair Market Value of a Share on the date of exercise of the Share Appreciation Right over the Base Amount thereof on such terms and conditions as are specified in the agreement or other documents evidencing the Award (the “SAR Agreement”). A Share Appreciation Right shall be settled in Shares or cash equivalent or a combination thereof as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such SAR expires prior to being settled. Share Appreciation Rights may be granted in tandem with another Award or freestanding and unrelated to another Award.

Section 6.2 SAR Awards.

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive SAR Awards under the Plan, and (ii) fix the number of SAR Awards to be granted to each Eligible Participant and the date or dates on which such SAR Awards shall be granted, subject to the terms and conditions prescribed in this Plan and in any SAR Agreement. Each SAR awarded shall entitle the Participant, upon exercise, to the following:

- (a) an amount, in such currency as may be determined by the Board in its sole discretion, or Shares of the Company if determined by the Board, and payable as hereinafter provided, equal to the excess, if any, of: (i) the Fair Market Value of one (1) share of Common Stock on the date of exercise of such Stock Appreciation Right, over (ii) the Stock Appreciation Right Base Amount of the Stock Appreciation Right; or
- (b) Such other benefits as may be determined by the Board from time to time.

6.3 Term of Share Appreciation Rights

The term of a SAR granted to a Participant shall be set by the Board in its discretion. The Administrator may extend the term of any outstanding SAR in connection with any Termination of Employment of the Holder, or amend any other term or condition of such Stock Appreciation Right relating to such a termination.

6.4 Exercise of Options.

Prior to its expiration or earlier termination in accordance with the Plan, each SAR shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular SAR may determine in its sole discretion. For greater certainty, any exercise of SARs by a Participant shall be made in accordance with any insider trading policies implemented by the Company.

6.5 Method of Exercise and Payment of Purchase Price.

- (4) Subject to the provisions of the Plan, a SAR granted under the Plan shall be exercisable (from time to time as provided in Section 6.4 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the Corporate Secretary of the Company (or the individual that the Corporate Secretary of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the SAR is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of SARs specified therein and, if required by Section 9.2, the amount necessary to satisfy any taxes.

**ARTICLE 7
GENERAL CONDITIONS**

Section 7.1 General Conditions Applicable to Awards.

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Company or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Company or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Subject to Section 4.8 and Section 5.8, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferrable Awards.** Except as specifically provided in a Grant Agreement approved by the Board, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Company ceasing to be a Subsidiary of the Company, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Company and not of the Company itself, whether or not then exercisable, shall automatically terminate on the date of such change.

Section 7.2 General Conditions Applicable to Options and SARs.

Each Option shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. “Cause” shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company’s codes of conduct and any other reason determined by the Company to be cause for termination.
- (2) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately unless otherwise agreed to in a contract for services between the Company and an executive of the Company and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within (i) the earlier of 90 days after the Termination Date; (ii) the expiry date of the Option set forth in the Grant Agreement, or: (iii) such other date that may be agreed to in a contract for services between the Company and an executive of the Company, after which the Option will expire.
- (3) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation and (ii) unless otherwise determined by the Board, in its sole discretion, each vested Option granted to such Participant will cease to be exercisable on the earlier of the 30 days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (4) **Permanent Disability/Retirement.** Upon a Participant ceasing to be an Eligible Participant by reason of retirement (in accordance with any retirement policy implemented by the Company from time to time) or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the 90 days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Company or any Subsidiary by reason of permanent disability, and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (5) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the “Vested Awards”) on the date of such Participant’s death. Such Vested Awards shall only be exercisable within 12 months after the Participant’s death or prior to the expiration of the original term of the Options whichever occurs earlier.

Section 7.3 General Conditions Applicable to RSUs.

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Company or a Subsidiary, the Participant’s participation in the Plan shall be terminated immediately, all RSUs credited to such Participant’s Account that have not vested shall be forfeited and cancelled, and the Participant’s rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant’s unvested RSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled RSUs that have not vested.
- (2) **Death or Termination.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant ceasing to be an Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination for reasons other than for Cause, (iv) his or her employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant’s Account as of such date relating

to a Restriction Period in progress shall be terminated, and the Participant shall not receive any payment in lieu of cancelled RSUs.

- (3) **General.** For greater certainty, where a Participant's employment or service relationship with the Company or a Subsidiary is terminated pursuant to Section 6.3(1) or Section 6.3(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

ARTICLE 8 ADJUSTMENTS AND AMENDMENTS

Section 8.1 Adjustment to Shares.

In the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or Shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Company or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award;
or
- (c) adjustments to the number or kind of Shares reserved for issuance pursuant to the Plan.

Section 8.2 Change of Control.

- (1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, subject to Section 7.3, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control.
- (2) If the Company completes a transaction constituting a Change of Control and within 12 months following the Change of Control (i) a Participant who was also an officer or employee of, or Consultant to, the Company prior to the Change of Control has their position, employment or Consulting Agreement terminated, or the Participant is constructively dismissed, or (ii) a director ceases to act in such capacity, then all unvested RSUs shall immediately vest and shall be paid out, and all unvested Options shall vest and become exercisable. Any Options that become exercisable pursuant to this Section 7.2(2) shall remain open for exercise until the earlier of (i) their expiry date as set out in the Award Agreement, (ii) the date that is 90 days after such termination or dismissal, and (iii) such other date that may be agreed to in a contract for services between the Company and an executive of the Company
- (3) Notwithstanding any other provision of this Plan, this Section 7.2 shall not apply with respect to any DSUs held by a Participant where such DSUs are governed under paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (4) Notwithstanding any other provision of this Plan, for all U.S. Participants, "Change of Control" as defined herein shall be as "Change in Control" is defined in 409A of the U.S. Tax Code.

Section 8.3 Amendment or Discontinuance of the Plan.

- (1) The Board may suspend or terminate the Plan at any time. Notwithstanding the foregoing, any suspension or termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (2) The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company amend any provision of this Plan or any Award, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:
 - (i) any amendment to the general vesting provisions, if applicable, of the Plan or of the Awards;
 - (ii) any amendment regarding the effect of termination of a Participant's employment or engagement;
 - (iii) any amendment which accelerates the date on which any Option may be exercised under the Plan;
 - (iv) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body;
 - (v) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
 - (vi) any amendment regarding the administration of the Plan;
 - (vii) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback which is adopted; and
 - (viii) any other amendment that does not require the approval of the shareholders of the Company under Section 7.3(3)(b).
- (3) Notwithstanding Section 7.3(2):
 - (a) no such amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
 - (b) the Board shall be required to obtain shareholder approval to make the following amendments:
 - (i) any increase to the maximum number of Shares issuable under the Plan (either as a fixed number or fixed percentage of the Outstanding Issue), except in the event of an adjustment pursuant to Article 7;
 - (ii) any amendment that extends the term of Options beyond the original expiry date that benefits an Insider of the Company;
 - (iii) any amendment which extends the expiry date of any Award, or the Restriction Period, or the Performance Period of any RSU beyond the original expiry date or Restriction Period or Performance Period, that benefits an Insider of the Company;

- (iv) except in the case of an adjustment pursuant to Article 7, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price;
 - (v) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7;
 - (vi) any amendment to the definition of an Eligible Participant under the Plan;
 - (vii) and any amendment to the amendment provisions of the Plan.
- (4) Subject to the Shares being listed on a Stock Exchange, any shareholder approval required under Section 7.3(3)(b) shall be disinterested shareholder approval (within the meaning of the policies of such Stock Exchange).
- (5) Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

Section 8.4 Stock Exchange Approval of Adjustments

While the Shares are listed for trading on a Stock Exchange, any adjustment, other than in connection with a subdivision of the Shares into a greater number of Shares pursuant to Section 7.1(a) or a consolidation of Shares into a lesser number of Shares pursuant to Section 7.1(b), to any Award pursuant to the provisions hereof is subject to the prior acceptance of such Stock Exchange, if such acceptance is a requirement of such Stock Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

ARTICLE 9 MISCELLANEOUS

Section 9.1 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan, including for the purposes of making secondary market purchases of Shares for delivery on settlement of an Award, if applicable, and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 9.2 Tax Withholding.

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Company determines, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 8.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Company as appropriate.

- (2) Notwithstanding Section 8.2(1), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

Section 9.3 US Tax Compliance.

- (1) DSU Awards granted to U.S. Participants are intended to be comply with, and Option and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A of the U.S. Tax Code and related regulations ("Section 409A"). Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.
- (2) For purposes of interpreting and applying the provisions of any DSU or other Award to subject to Section 409A, the term "termination of employment" or similar phrase will be interpreted to mean a "separation from service," as defined under Section 409A, provided, however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then "termination of employment" will be interpreted to only include a complete termination of the employment relationship.
- (3) If payment under any DSU or other Award subject to Section 409A is in connection with the U.S. Participant's separation from service, and at the time of the separation from service the Participant is subject to the U.S. Tax Code and is considered a "specified employee" (within the meaning of Section 409A), then any payment that would otherwise be payable during the six-month period following the separation from service will be delayed until after the expiration of the six-month period, to the extent necessary to avoid taxes and penalties under Section 409A, provided that any amounts that would have been paid during the six-month period may be paid in a single lump sum on the first day of the seventh month following the separation from service.

Section 9.4 Clawback.

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including and any related policy adopted by the Company. Each

Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 8.4.

Section 9.5 Securities Law Compliance.

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Company's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and

regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.

- (2) No Awards shall be granted in the United States and no Shares shall be issued in the United States pursuant to any such Awards unless such Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States, and any Shares issued pursuant thereto, will be “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing Awards granted in the United States or Shares issued in the United States pursuant to such Awards pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:

THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

- (3) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (4) The Company shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Company to issue such Shares shall terminate and any funds paid to the Company in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

Section 9.6 Reorganization of the Company.

The existence of any Awards shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Company’s capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and

conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 9.7 Quotation of Shares.

So long as the Shares are listed on one or more Stock Exchanges, the Company must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

Section 9.8 No Fractional Shares.

No fractional Shares shall be issued upon the exercise or vesting of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of such Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive, as the case may be, the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 9.9 Governing Laws.

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 9.10 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

Section 9.11 Effective Date of the Plan

The Plan was adopted by the Board on _____, 2022 and approved by the shareholders of the Company on _____, 2023, and shall take effect on _____, 2023.

SCHEDULE “D”

Advance Notice By-law

By-law No.3

A By-law relating to Advance Notice of Nominations of Directors of the Corporation

1.) 1. ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

Nomination procedures - Subject only to the Business Corporations Act (Ontario) (the “Act”) and the articles of the Company (the “Articles”), only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors of the Company (the “Board”) may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (each, a “Nominating Shareholder”):
 - (A) who, at the close of business on the date of the giving of the notice provided for below in this By-law and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and who provides evidence of such beneficial ownership to the Company; and
 - (B) who complies with the notice procedures set forth below in this By-law.

2.) Timely notice - In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Company at the principal executive offices of the Company in accordance with this By-law.

3.) Manner of timely notice - To be timely, a Nominating Shareholder’s notice to the Secretary of the Company must be made:

- (a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of

business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4.) **Proper form of timely notice** - To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:

(A) the name, age, business address and residential address of the person;

(B) the principal occupation or employment of the person both at present and within the five years preceding the notice;

(C) the number of securities of each class of voting securities of the Company which are beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and

(D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has any right or obligation to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5) **Eligibility for nomination as a director** - No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this By-law; provided, however, that nothing in this By-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is, not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

- 6) **Terms** - For purposes of this By-law:
- a) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- 7) **Delivery of notice** - Notwithstanding any other provision of this By-law, notice given to the Secretary of the Company pursuant to this By-law may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- 8) **Board Discretion** - Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-law.

