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STATEMENT OF EXECUTIVE COMPENSATION (VENTURE ISSUERS)

For the year ended January 31, 2024

Dated July 16, 2024

This Statement of Executive Compensation ("**Statement**") provides information on the executive compensation practices and results of Hemlo Explorers Inc. (the "**Corporation**"). It includes all direct and indirect compensation provided to certain executive officers and directors for, or in connection with, services they have provided to the Corporation. The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

The Corporation reports its financial results in Canadian Dollars and all dollar amounts in this Statement of Executive Compensation are stated in Canadian Dollars.

The purpose of this Statement is to provide information about the Corporation's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's senior leaders, being the two identified named executive officers (the "**NEOs**") during the financial year ended January 31, 2024. The NEOs who are the focus of this Statement and who appear in the compensation tables of this Statement are Brian Howlett, President and Chief Executive Officer of the Corporation (the "**CEO**") and Fraser Laschinger, Chief Financial Officer and Secretary of the Corporation (the "**CFO**").

Board Oversight of Compensation

Among its other duties, the Board of Directors of the Corporation (the "**Board**") is responsible for (i) overseeing the Corporation's human resources policies, executive compensation, management succession and development, and equity compensation plans, and (ii) ensuring that the Corporation's executive and director compensation policies and programs are competitive and reflect the long-term interest of the Corporation and its shareholders. Given the size of the Corporation and the number of directors on the Board, the Board has not delegated any of the above responsibilities to a committee of the Board and instead performs such functions itself. In performing its duties, the Board has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

In order to ensure that the process for determining executive compensation remains objective, the Board requires that executive directors remove themselves from any deliberations or determinations relating to their own compensation. The Board considers the experience and insight of the executive directors to be an asset in the Board's discussions and decisions relating to human resources and general compensation matters and relies on their input in matters that are not directly related to their own compensation.

Compensation Program

The primary goal of the Corporation's executive compensation program is to retain and motivate top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation's executive officers is determined with regard to the Corporation's business strategy and objectives and financial condition, such that the financial interests of the executive officers are matched with the financial interests of the Corporation's shareholders. The Corporation strives to ensure that the Corporation's executive officers are compensated fairly and commensurately with their contributions to furthering the Corporation's strategic direction and objectives.

Neither the Corporation nor the Board currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of executive officer or director compensation. The Board relies on the knowledge and experience of the members of the Board and the recommendations of the CEO to set appropriate levels of compensation for executive officers (other than the CEO).

Compensation Program Design

The total compensation mix was designed based on the Corporation's compensation objectives. Standard compensation arrangements for the Corporation's executive officers are composed of the following elements, which are linked to the Corporation's compensation and corporate objectives.

Base Salary

Base salary is determined for each of the Corporation's executive officers on an individual basis, taking into consideration the individual's experience, performance and contributions to the Corporation's success and competitive industry pay practices for comparable positions with the primary goal of retaining highly qualified executives in a competitive market environment.

Bonus

The Corporation, in its discretion, may award cash bonuses in order to motivate executives to achieve corporate goals. A discretionary bonus for each NEO is determined annually based on an assessment of performance of the executive throughout the year and the attainment of goals and objectives set for the executive. Annual incentives are approved by the Board.

Share Based Compensation

The Board believes that stock options ("**Options**"), restricted share units ("**Restricted Share Units**") and deferred share units ("**Deferred Share Units**", and together with Options and Restricted Share Units, "**Awards**") serves to align the long-term interests of the Corporation's executive officers directly to those of shareholders and helps to achieve the Corporation's objective of retaining highly qualified executives.

The Corporation currently has an Omnibus Equity Incentive Plan (the "**Incentive Plan**") that was most recently confirmed by the shareholders on July 27, 2023, under which no Awards have been granted to date. The Incentive Plan replaced the Corporation's previous Stock Option Plan ("**Stock Option Plan**") under which an aggregate of 2,170,000 Options (the "**Outstanding Options**") remain outstanding and in full force and effect in accordance with their terms and continue to be governed by the provisions of the prior Stock Option Plan. No further Options can be issued under the Stock Option Plan as it has been replaced by the Incentive Plan.

Under the terms of the Incentive Plan, the Board may propose and designate employees, including executive officers, eligible to receive Options to acquire such numbers of common shares in the capital of the Corporation ("**Common Shares**") as the Board determines at an exercise price determined in accordance with the terms of the Incentive Plan.

When granting Awards pursuant to the Incentive Plan, consideration is given to the exercise price of the aggregate Options, or value of the Restricted Share Units and Deferred Share Units, that would be held by an individual after the grant. In determining the individual grants, the Board considers the following factors: the executive officer's relative position and performance as well as past equity grants.

The Awards granted to executive officers increase in value as the market price of the Common Shares increase, thereby linking equity-based executive compensation to shareholder returns.

The Board regularly assesses the individual performance of the Corporation's executive officers. Based on these assessments, the Board makes decisions concerning the nature and scope of the equity-based compensation to be paid to the Corporation's executive officers. The criteria upon which these assessments are based reflect the Board's views as to the nature and value of the contributions made by the executive officers to the achievement of the Corporation's corporate plans and objectives. The Board generally considers Award grants following the annual meeting of shareholders, except in exceptional circumstances.

Director Compensation

The director compensation program is designed to achieve the following goals: (i) compensation should attract and retain the most qualified people to serve on the Board; (ii) compensation should align directors' interests with the long-term interests of shareholders; (iii) compensation should fairly pay directors for risks and responsibilities related to being a director of an entity of the Corporation's size and scope; and (iv) the structure of the compensation should be simple, transparent and easy for shareholders to understand.

Directors may receive Awards as compensation for their services as recommended and determined by the Board. The exercise price of such Options or the value of Restricted Share Units and Deferred Share Units is determined by the Board, but shall in no event be less than the maximum permitted discounted market price of the Common Shares at the time of the grant under the policies of the TSX Venture Exchange (the "**TSXV**").

During the financial year ended January 31, 2024, other than as described herein, there were no standard or other arrangements pursuant to which the Corporation compensated the directors for their services in their capacity as directors, and there were no amounts paid for special assignments.

Compensation Process

The Board has ultimate responsibility for the Corporation's compensation program and compensation decisions. The Board seeks the advice of the President and CEO and confers with the Corporation's legal counsel and CFO on matters that fall within their respective realms of responsibility in considering compensation decisions. The compensation of the President and CEO is reviewed and determined by the Board without the President and CEO. The Board reviews the performance of other executive officers with the President and CEO.

The Corporation is an exploratory stage mining company and will not be generating revenues from operations for a significant period of time, if at all. As a result, the use of traditional performance standards, such as corporate profitability, is considered by the Board to be inappropriate in the evaluation of corporate or NEO performance. The compensation of the Corporation's executive officers is based, in substantial part, on industry compensation practices, trends in the mining industry as well as achievement of the Corporation's business objectives. In determining executive compensation, the Board generally relies on Board discussions without any formal objectives, criteria and analysis.

The Board uses all the relevant data available to it to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to its success. In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level. Independent surveys and informal surveys prepared by the Corporation regarding compensation paid to persons occupying similar positions with mining exploration companies of comparable size and stage of development provides the Board with insight into what is considered fair compensation.

Equity Incentive Granting

Typically, the Board considers Award grants following the annual meeting of shareholders, except in exceptional circumstances. The Board determines individual grants including the particulars with respect to all Awards granted to executive officers in accordance with the terms of the Incentive Plan. In determining the nature and scope of such grants the Board considers the recommendations of the Board and the executive officer's relative position, performance and past equity grants.

Managing Compensation-Related Risk

The Board has not formally considered the implications of the risks associated with the Corporation's compensation policies and practices. However, the Board believes that the Corporation's compensation program is structured in a way that does not encourage excessive risk taking by its management. In particular, executive compensation is not tied to performance targets. Accordingly, no single metric or objective can significantly impact executive compensation in a given year.

Restrictions on Financial Instruments

The Corporation does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Director and NEO compensation, excluding compensation securities

The following table provides a summary of the compensation earned by the NEOs and directors for services rendered in all capacities during the financial years ended January 31, 2024 and 2023:

Table of compensation for NEOs and directors excluding compensation securities							
Name and Principal Position	**Financial Year Ended**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**All other Compensation ($)**	**Total Compensation ($)**
Brian Howlett[1] President, CEO and a Director	Jan. 31, 2023	118,750	-	-	-	-	118,750
	Jan. 31, 2024	127,083	-	-	-	-	127,083
Fraser Laschinger CFO and Secretary	Jan. 31, 2023	76,800	-	-	-	-	76,800
	Jan. 31, 2024	76,800	-	-	-	-	76,800

Table of compensation for NEOs and directors excluding compensation securities							
Name and Principal Position	**Financial Year Ended**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**All other Compensation ($)**	**Total Compensation ($)**
Christopher D. Hodgson Director	Jan. 31, 2023	Nil	-	-	-	-	Nil
	Jan. 31, 2024	Nil	-	-	-	-	Nil
John D. Harvey(2) Director	Jan. 31, 2023	2,400	-	-	-	-	2,400
	Jan. 31, 2024	4,200	-	-	-	-	4,200
Gordon J. Cyr(3) Former Director	Jan. 31, 2023	Nil	-	-	-	-	Nil
	Jan. 31, 2024	Nil	-	-	-	-	Nil
Michael G. Leskovec Director	Jan. 31, 2023	Nil	-	-	-	-	Nil
	Jan. 31, 2024	Nil	-	-	-	-	Nil
Ernie Eves Director	Jan. 31, 2023	Nil	-	-	-	-	Nil
	Jan. 31, 2024	Nil	-	-	-	-	Nil

Notes:

(1) Brian Howlett did not receive any additional compensation as a director.
(2) Geological consulting fees paid to Harvey Holdings Inc, a corporation controlled by John Harvey.
(3) Ceased to be a director as of July 27, 2023.

Stock Options and other Compensation Securities

The following table provides details regarding all compensation securities granted or issued to each director and/or NEO by the Corporation during the financial year ended January 31, 2024:

Compensation securities received by NEOs and directors							
Name and Principal Position	**Type of compensation security(1)**	**Number of compensation securities, number of underlying securities and percentage of class(2)**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Brian Howlett President, CEO and a Director	-	-	-	-	-	-	-
Fraser Laschinger CFO and Secretary	-	-	-	-	-	-	-
Christopher D. Hodgson Director	-	-	-	-	-	-	-
John D. Harvey Director	-	-	-	-	-	-	-
Gordon J. Cyr(3) Former Director	-	-	-	-	-	-	-
Michael G. Leskovec Director	-	-	-	-	-	-	-

Ernie Eves **Director**	-	-	-	-	-	-	-

Notes:

(1) Options granted pursuant to the Stock Option Plan.
(2) One Option is exercisable into one Common Share.
(3) Ceased to be a director as of July 27, 2023.

The following table provides details regarding the exercise by a director and/or NEO of compensation securities during the financial year ended January 31, 2024:

Exercise of Compensation Securities by NEOs and Directors							
Name and Position	**Type of Compensation Security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Date of exercise**	**Closing price per security on date of exercise ($)**	**Difference between exercise price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
Brian Howlett **President, CEO and a Director**	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Fraser Laschinger **CFO and Secretary**	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Christopher D. Hodgson **Director**	N/A	Nil	N/A	N/A	N/A	N/A	Nil
John D. Harvey **Director**	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Gordon J. Cyr[(1)] **Former Director**	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Michael Leskovec **Director**	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Ernie Eves **Director**	N/A	Nil	N/A	N/A	N/A	N/A	Nil

Note:

(1) Ceased to be a director as of July 27, 2023.

Termination and Change of Control Benefits

The Corporation has not entered into employment agreements with any of its employees or consulting agreements with any of its officers, except as described below.

The Corporation entered into an employment agreement effective March 1, 2013 (the "**CFO Agreement**") with Mr. Fraser Laschinger, the CFO of the Corporation. Pursuant to the CFO Agreement, Mr. Laschinger is entitled to an annual salary of $148,800 (which has since been temporarily reduced to $76,800 as agreed to by the parties) and Mr. Laschinger is eligible for grants of Awards as the Board may award from time to time. Subject to earlier termination as provided for therein, the initial term of the CFO Agreement expired on December 31, 2013 and was automatically renewed on such date, and on each successive anniversary date, for an additional one-year period on the same terms and conditions unless re-negotiated. The CFO Agreement provides that Mr. Laschinger may terminate the agreement upon providing three months' advance written notice. In addition, the CFO Agreement provides that Mr. Laschinger may terminate the

CFO Agreement upon thirty days' prior written notice to the Corporation for a period of six months following the occurrence of any of the following (each, a "**Change of Control**"):

1. the acquisition (whether in one transaction or a series of transactions), directly or indirectly and by any means whatsoever, by any person (other than Mr. Laschinger), or by a group of persons (excluding Mr. Laschinger) acting jointly or in concert, of beneficial ownership of, or control or direction over, that number of Common Shares which is greater than 50% of the total outstanding Common Shares immediately after such acquisition;

2. the replacement by way of election or appointment at any time of a majority of the total number of then incumbent members of the Board;

3. any transaction or series of transactions, whether by way of reconstruction, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, whereby all or substantially all of the Corporation's assets become, directly or indirectly, the property of or controlled by, any other person (other than Mr. Laschinger or a subsidiary of the Corporation or a corporation formed upon the amalgamation of the Corporation with another corporation which is a wholly-owned subsidiary of the Corporation) (the "**Successor Entity**") unless:

    a. persons who were holders of Common Shares immediately prior to such transaction hold, as a result of such transaction, in the aggregate, at least 50% of the voting securities of the Successor Entity;

    b. a majority of the members of the board of directors of the Successor Entity is comprised of individuals who were members of the Board immediately prior to such transaction; and

    c. after such transaction, no person, or group of persons acting jointly or in concert, holds more than 50% of the voting securities of the Successor Entity;

4. a transaction or series of transactions in which, directly or indirectly, the Corporation sells or otherwise transfers to any person, other than an affiliate or affiliates of the Corporation, assets:

    a. having an aggregate fair market value of more than 50% of the aggregate fair market value of all the assets of the Corporation, or

    b. that generated during the Corporation's last completed fiscal year or are expected to generate in the Corporation's then current fiscal year more than 50% of its operating income or cash flow.

If the CFO Agreement is terminated by Mr. Laschinger within six months following a Change of Control, Mr. Laschinger will be entitled to receive an amount equal to one and one-half times the annual salary payable to Mr. Laschinger under the CFO Agreement. If the CFO Agreement is terminated by the Corporation without cause, Mr.

Laschinger will be entitled to receive an amount equal to three months of his salary. If the CFO Agreement is terminated by the Corporation upon the permanent disability of Mr. Laschinger, Mr. Laschinger will be entitled to receive an amount equal the lesser: (i) four months of his salary; and (ii) the salary that he would have otherwise received over the balance of the unexpired term of the CFO Agreement had such termination not occurred.

The following table sets out the estimated payments in the event of termination of employment for Mr. Laschinger, assuming that the event giving rise to the payment occurred on January 31, 2024.

	Termination by the Employee	**Termination by the Corporation**	
Employee	**Within Six Months following a Change of Control**	**Without Cause**	**Upon Permanent Disability**
Fraser Laschinger	**$115,200**	**$19,200**	**$25,600**[(1)]

Note:
(1) The amount Mr. Laschinger would have otherwise received over the balance of the unexpired term of the CFO Agreement would have been $70,400.

The CFO Agreement also contains provisions in favour of the Corporation relating to non-solicitation and confidentiality.

Omnibus Equity Incentive Plan

The Corporation has an Incentive Plan that was most recently confirmed by the shareholders on July 27, 2023, and replaced the Corporation's Stock Option Plan ("**Stock Option Plan**"). Capitalized terms used in this section which are not otherwise defined shall have the meaning ascribed to them in the Incentive Plan.

Purpose

The purpose of the Incentive Plan is: (a) to increase the interest in the Corporation's welfare of those employees, executive officers, directors and Consultants, who are "Eligible Participants" under the Incentive Plan, who share responsibility for the management, growth and protection of the business of the Corporation or a subsidiary of the Corporation; (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a subsidiary are necessary or essential to its success, image, reputation or activities; (c) to reward Eligible Participants for their performance of services while working for the Corporation or a subsidiary; and (d) to provide a means through which the Corporation or a subsidiary may recruit and retain key talent for the Corporation.

Types of Awards

The Incentive Plan provides for the grant of the following types of Awards: Options, Restricted Share Units and Deferred Share Units. All Awards are to be evidenced by an agreement or other instrument or document (a "**Grant Agreement**").

Plan Administration

The Incentive Plan is administered by the Board, which may delegate its authority to a committee. Subject to the terms of the Incentive Plan, applicable law and the rules of the TSXV or such other stock exchange on which the Corporation's shares may be listed from time to time, the Board will have the power and authority to: (a) designate the Eligible Participants who will receive Awards (an Eligible Participant who receives an Award, a "**Participant**"); (b) designate the types and amounts of Awards to be granted to each Participant; (c) designate the number of Common Shares to be covered by each Award; (d) determine the terms and conditions of any Award, including any vesting conditions or conditions based on performance of the Corporation or of an individual ("**Performance Criteria**"); (e) to interpret and administer the Incentive Plan and any instrument or agreement relating to it, or Award made under it; and (f) make such amendments to the Incentive Plan and Awards made under the Incentive Plan as are permitted by such plan and the rules of the applicable stock exchange.

Shares Available for Awards

Subject to adjustments as provided for under the Incentive Plan, the maximum number of Common Shares available for issuance at any time pursuant to outstanding Awards under or governed by the Incentive Plan shall be equal to 10% of the issued and outstanding Common Shares as at the date of any grant.

The Incentive Plan would be an "evergreen" plan as Common Shares 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 Incentive Plan and the number of Awards that may be granted under the Incentive Plan increases if the total number of issued and outstanding Common Shares of the Corporation increases.

Award Limitations

The Incentive Plan provides the follow limitations on grants:

a) The maximum number of Common Shares issuable pursuant to the Awards under the Incentive Plan (which includes Outstanding Options) shall not exceed 10% of the issued and outstanding Common Shares as at the date of any Award grant.

b) The maximum number Common Shares issuable to Eligible Participants who are Insiders (as a group), at any time, together with Common Shares reserved under any other Security Based Compensation Arrangement, shall not exceed 10% of the issued and outstanding Common Shares at any point in time.

c) The maximum number of Common Shares issuable to Eligible Participants who are Insiders (as a group) within any one year period, together with Common Shares reserved under any other Security Based Compensation Arrangement, shall not exceed 10% of the issued and outstanding Common Shares at any point in time.

d) Subject to the Common Shares being listed on the TSXV, (i) the maximum number of Common Shares issuable to any one Participant under Awards in a 12-month period shall not exceed 5% of the issued and outstanding Common Shares (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of Common Shares issuable to any one Consultant in a 12-month period shall not exceed 2% of the issued and outstanding Common Shares; and (iii) Investor Relations Service Providers (within the meaning of the policies of the TSXV) may only be granted Options under an Award and the maximum number of Common Shares issuable to all Investor Relations Service Providers under any Options awarded shall not exceed 2% of the issued and outstanding Common Shares in any 12-month period, in each case measured as of the date of grant of an Award.

Eligible Participants

Any employee, executive officer, director, or Consultant of the Corporation or any of its subsidiaries is an "Eligible Participant" and considered eligible to be selected to receive an Award under the Incentive Plan, provided that only directors of the Corporation are eligible to receive Deferred Share Units. Eligibility for the grant of Awards and actual participation in the Incentive Plan is determined by the Board.

Description of Awards

<u>Options</u>

An option ("**Option**") is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Common Shares from treasury at an exercise price set at the time of grant (the "**Option Price**"). Options are exercisable, subject to vesting criteria established by the Board at the time of grant, over a period as established by the Board from time to time which shall not exceed 10 years from the date of grant. If the expiration date for an Option falls within a black-out period the expiration date will be extended to the date which is ten business days after the end of the black-out period, which may be after the date that is 10 years from the date of grant. The Option Price shall not be set at less than the volume weighted average trading price of the Common Shares on the applicable stock exchange for the five trading days immediately preceding the date of the grant. At the time of grant of an Option, the Board may establish vesting conditions in respect of each Option grant, which may include performance criteria related to corporate or individual performance. The Incentive Plan also permits the Board to grant an option holder, at any time, the right to deal with such Option on a cashless exercise basis at a price equal to the difference between the market price of the Common Shares on the day immediately prior to the date of the exercise of the cashless exercise right, and the Option Price (less applicable withholding taxes), subject to the rules of the applicable stock exchange on which the Common Shares are listed from time to time.

The Board may grant Options to U.S. Participants that are qualified incentive stock options ("**ISOs**") for the purposes of Section 422 of the United States Internal Revenue Code of 1986. ISOs may only be granted to employees of the Corporation or a subsidiary of the Corporation.

Restricted Share Units

A Restricted Share Unit is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient to receive Common Shares as determined by the Board. The Board may establish conditions and vesting provisions, including Performance Criteria, which need not be identical for all Restricted Share Units. Restricted Share Units that are subject to Performance Criteria may not become fully vested prior to the expiry of the Restricted Period. Restricted Share Units expire no later than December 31 of the calendar year which commences three years after the calendar year in which the performance of services for which the Restricted Share Unit was granted, occurred. A Restricted Share Unit may be forfeited if conditions to vesting are not met. The Board, in its discretion, may award dividend equivalents with respect to Awards of Restricted Share Units, subject to such dividend equivalents being paid out in cash if entitlements to additional Restricted Share Units in respect of such dividend equivalents resulted in the limits set out in the Incentive Plan being exceeded.

Such dividend equivalent entitlements will not be available until the Restricted Share Units are vested and paid out.

Deferred Share Units

A Deferred Share Unit is an Award attributable to a person's duties as a director that, upon settlement, entitles the recipient to receive such number of Common Shares as determined by the Board, and is issuable after the person ceases to be a director of the Corporation. In addition, the Board may award such additional Deferred Share Units to a director as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services such Participant renders to the Corporation. The Board, in its discretion, may award dividend equivalents with respect to Awards of Deferred Share Units, subject to such dividend equivalents being paid out in cash if entitlements to additional Deferred Share Units in respect of such dividend equivalents resulted in the limits set out in the Incentive Plan being exceeded. Deferred Share Units must be settled no later than December 31 of the calendar year following the year in which the recipient of the Deferred Share Unit ceased to be a director of the Corporation.

Effect of Termination on Awards

Unless otherwise provided for in a Grant Agreement or determined by the Board on an individual basis, in the event of the Participant's:

a) Voluntary Resignation: All of the Participant's unvested Awards are immediately forfeited on the termination date, and any vested Options remain exercisable until the earlier of, unless otherwise determined by the Board, in its sole discretion, 30 days following the termination date and the expiry date of the Option.

b) Termination for Cause: All of the Participant's vested and unvested Options immediately terminate, and all unvested Restricted Share Units are immediately forfeited on the termination date.

c) Termination not for Cause: All of the Participant's unvested Options immediately terminate and any vested Options remain exercisable until the earlier of, unless otherwise determined by the Board, in its sole discretion, 90 days following the termination date and the expiry date of the Option. All unvested Restricted Share Units are immediately forfeited on the termination date.

d) Permanent Disability or Retirement: All unvested Restricted Share Units are immediately forfeited on the termination date. Any vested Options remain exercisable until the earlier of 90 days following the vesting date of the Option and the expiry date of the Option.

e) Death: The Participant's unvested Restricted Share Units are immediately terminated upon the death of a Participant, and any vested Options remain exercisable by the Participant's beneficiary until the earlier of 12 months following the termination date and the expiry date of the Option.

f) Termination in Connection with a Change of Control: If, after a Change of Control (as described below), and within 12 months following the Change of Control, (i) a Participant who was also an officer or employee of, or a Consultant to, the Corporation 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 of the Participant's unvested Restricted Share Units immediately vest and shall be paid out, and all unvested Options shall vest and become exercisable. Any Options that become exercisable in these circumstances shall remain exercisable until the earlier of 90 days following the termination date and the expiry date of the Option.

Change of Control

In the event of a Change of Control the Board will have the power, in its sole discretion, to modify the terms of the Incentive Plan and/or the Awards to assist the Participants to tender into a take-over bid or participate in any other transaction leading to a Change of Control.

Assignment

No Award or other benefit payable under the Incentive Plan shall, except as otherwise provided by law (including the policies of the TSXV, as applicable) or specifically approved by the Board, be transferred, sold, assigned, pledged, or otherwise disposed in any manner other than by will or the law of descent.

Termination and Amendment

The Board may suspend or terminate the Incentive Plan at any time. In addition, the Board may from time to time, in its absolute discretion and without approval of the shareholders amend any provision of the Incentive Plan or any Award, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation: (a) any amendment to the general vesting provisions, if applicable, of the Incentive Plan or the Awards; (b) any amendment regarding the effect of termination of a Participant's employment or engagement; (c) any amendment which accelerates the date on which any Option may be exercised under the Incentive Plan; (d) any amendment necessary to comply with applicable law or the requirements of the stock exchange or any other regulatory body; (e) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Incentive Plan, correct or supplement any provision of the Incentive Plan that is inconsistent with any other provision of the Incentive Plan, correct any grammatical or typographical errors or amend the definitions in the Incentive Plan; (f) any amendment regarding the administration of the Incentive Plan; (g) any amendment to add provisions permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, a form of financial assistance or claw back, and any amendment to a provision permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, a form of financial assistance or claw back which is adopted; and (h) any other amendment that does not require the approval of the shareholders, as provided below.

Notwithstanding the foregoing: (a) no amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Incentive Plan; and (b) the Board shall be required to obtain shareholder approval to make the following amendments: (i) any increase to the maximum number of Common Shares issuable under the Incentive Plan (either as a fixed number or a fixed percentage of the outstanding Common Shares), except in the event of an adjustment provided for in the Incentive Plan; (ii) any amendment that extends the term of Options beyond the original expiry date that benefits an Insider of the Corporation; (iii) any amendment which extends the expiry date of any Award, or the Restricted Period, or the Performance Period of any Restricted Share Unit beyond the original expiry date or Restricted Period or Performance Period that benefits an Insider of the Corporation; (iv) except in the case of an adjustment provided for in the Incentive Plan, 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 Common Shares that may be (A) issuable to Insiders at any time; or (B) issued to Insiders under the Incentive Plan and any other proposed or established Security Based Compensation Arrangement in a one-year period, except in case of an adjustment provided for in the Incentive Plan; (vi) any amendment to the definition of an Eligible Participant under the Plan; and (vii) any amendment to the amendment provisions of the Incentive Plan.

Claw back

Any Award or the proceeds from the exercise of an Award will be subject to deductions and claw back if the Participant to whom the Award was granted violates (a) a non-competition, non-solicitation, confidentiality, or other restrictive covenant by which such Participant is bound, or (b) any policy adopted by the Corporation applicable to the

Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Incentive Plan.

Stock Option Plan

The following is a summary of the Corporation's Stock Option Plan. No further Options shall be issued under the Stock Option Plan. As of the date hereof, Outstanding Options to purchase an aggregate of 2,170,000 Common Shares are outstanding pursuant to the Stock Option Plan. It is briefly summarized because certain Options remain outstanding.

The Stock Option Plan was intended to benefit the Corporation as it aligns the optionees' interests with those of the shareholders of the Corporation. The aggregate number of Common Shares that were reserved for issuance under the Stock Option Plan was a number not to exceed 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis) from time to time.

The Options granted under the Stock Option Plan are exercisable over a period not exceeding five years, subject to earlier cancellation upon the optionee ceasing to be an employee, executive officer, director or consultant of the Corporation, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. All Options granted under the Stock Option Plan are non-assignable and non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Corporation's capitalization. The Stock Option Plan does not contain any provision for financial assistance by the Corporation in respect of Options granted thereunder.