

FIRST PHOSPHATE CORP.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS TO BE HELD ON
AUGUST 25, 2023**

AND

MANAGEMENT INFORMATION CIRCULAR

FIRST PHOSPHATE CORP.
1055 West Georgia Street
1500 Royal Centre, P.O. Box 11117
Vancouver, British Columbia V6E 4N7

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of First Phosphate Corp. (the “**Company**”) will be held virtually via the Zoom meeting platform (“**Zoom**”) on <https://us06web.zoom.us/j/83888224006> on Friday, August 25, 2023, at 1:00 p.m. (Eastern Time) for the following purposes:

1. To receive and consider the audited financial statements of the Company for the financial years ended February 28, 2023 and February 28, 2022, together with the auditor’s report thereon;
2. To fix the number of directors elected for the ensuing year at five (5);
3. To elect five (5) directors of the Company for the ensuing year, as more particularly set forth in the accompanying proxy and management information circular dated July 25, 2023, and prepared for the purpose of the Meeting (the “**Circular**”);
4. To reappoint Davidson & Company LLP, as auditor of the Company for the ensuing year and to authorize the board of directors of the Company (the “**Board**”) to set the auditor’s remuneration;
5. To consider and, if thought advisable, approve with or without variation, an ordinary resolution of disinterested shareholders to authorize and approve the adoption of an omnibus equity incentive plan of the Corporation, the full text of which is set forth in Schedule “A” to the Circular, and to repeal and replace the existing stock option plan and existing RSU plan as adopted by the Company’s shareholders in the Company’s annual and general meeting held on August 25, 2022 (the “**Omnibus Equity Incentive Plan Resolution**”); and
6. To transact such other business as may be properly brought before the Meeting or any adjournment(s) thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular accompanying and forming a part of this Notice of Meeting.

All Shareholders are entitled to attend and vote at the Meeting. The Board requests that all Shareholders who will not be attending the Meeting to complete, date, and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”) prior to the proxy cut-off time. If a Shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by 1:00 p.m. (Eastern Time) by Wednesday, August 23, 2023 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used) then the Shareholder will not be entitled to vote at the Meeting by proxy. Only Shareholders of record at the close of business on July 12, 2023 will be entitled to vote at the Meeting.

Amid ongoing concerns about the Coronavirus (COVID-19) outbreak, the Company is actively monitoring the latest COVID-19 developments and directions from public health and government authorities and is mindful of the health and well-being of all our stakeholders, including our employees, Shareholders, industry partners and the communities in which we operate, as well as that of the general public. The Company has chosen to hold a virtual meeting by way of Zoom and only Shareholders and/or their appointees may participate in the Zoom meeting. There will be no in-person attendance at the Meeting and no votes can be cast via Zoom therefore all Shareholders are encouraged to vote their shares prior to the voting cut-off date of **August 23, 2023, at 1:00 p.m. (Eastern Time)** to ensure their votes are valid and acted upon at the Meeting (or any adjournment or postponement thereof). Shareholders and/or their appointees can connect to Zoom by following the link and information set out below. Copies of the Circular and other Meeting materials, including materials incorporated in this Circular by reference (the “**Meeting Materials**”) have been filed on the Company’s profile on SEDAR at www.sedar.com or may be obtained by contacting the Company’s Chief Financial Officer well in advance of the Meeting.

Shareholders have two options to access the Meeting, via teleconference or through the Zoom application (which requires internet connectivity). Registered Shareholders participating via teleconference or Zoom will not be able to vote in person at the Meeting as the Company’s scrutineer must take steps to verify the identity of registered Shareholders using the video features.

In order to dial into the Meeting, Shareholders will phone +14388097799 and enter the Meeting ID noted below:

Meeting ID: 838 8822 4006

A passcode will not be required.

In order to access the Meeting through Zoom, Shareholders will need to download the application, load the application and enter the Meeting ID and Password below or open the following link:

Zoom Link: <https://us06web.zoom.us/j/83888224006>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

DATED at Toronto, Ontario, July 25, 2023.

BY ORDER OF THE BOARD

/s/ Bennett Kurtz

Bennett Kurtz
Chief Administrative Officer, Corporate Secretary, and Director

**FIRST PHOSPHATE CORP.
1055 West Georgia Street
1500 Royal Centre, P.O. Box 11117
Vancouver, British Columbia V6E 4N7**

MANAGEMENT INFORMATION CIRCULAR

(as at July 25, 2023, except as otherwise indicated)

SOLICITATION OF PROXIES

This management information circular (this “**Circular**”) is provided in connection with the solicitation of proxies by the management of First Phosphate Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company (the “**Shareholders**”) to be held on Friday, August 25, 2023 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”).

The solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers and employees of the Company. Costs of solicitations will be borne by the Company.

VIRTUAL MEETING

The Company will be holding its meeting in a virtual only format, via the Zoom meeting platform (“Zoom”), as permitted by the *Business Corporations Act* (British Columbia). Shareholders will have an equal opportunity to attend at the Meeting online regardless of geographic location. Registered Shareholders, proxyholders, and Non-registered Shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as a guest but will not be able to vote at the Meeting. This is because the Company and its transfer agent, do not have a record of the non-registered Shareholders, and, as a result, will have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder. Please see “*Appointment and Revocation of Proxy*” below.

In order to access the Meeting, Shareholders will have two options, via teleconference or through Zoom (which requires internet connectivity). Any Shareholders wishing to view materials at the Meeting that may be presented by the Company’s management will need to utilize the Zoom application, but any Shareholder may listen to the Meeting via teleconference. Registered Shareholders participating via teleconference will not be able to vote in person at the Meeting as the Company’s scrutineer must take steps to verify the identity of registered shareholders using the video features.

In order to dial into the Meeting, Shareholders will phone +1 438 809 7799 and enter the Meeting ID noted below:

Meeting ID: 838 8822 4006

A passcode will not be required.

In order to access the Meeting through Zoom, Shareholders will need to download the application, load the application and enter the Meeting ID and Password below or open the following link:

Zoom Link: <https://us06web.zoom.us/j/83888224006>

Shareholders will have the option through the application to join the video and audio or simply view and listen.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered Shareholder who wishes to appoint another person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person's name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. ("**Computershare**") by 1:00 p.m. (Eastern Time) on Wednesday, August 23, 2023, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The common shares of the Company (the "Common Share") represented by Proxy in the form provided to Shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered Shareholder appointing such person. If there is no direction by the registered Shareholder, those common shares will be voted in favor of all proposals set out in the Proxy. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the "Management") knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of common shares ("**Registered Shareholders**") will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the Shareholder's name. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

This Circular, along with the Notice of Meeting, Proxy and VIF, as applicable, are being provided to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing this Circular, along with the Notice of Meeting and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company 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 Company (and not the intermediary holding common shares 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 VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver this Circular, the Notice of Meeting and VIF to OBOs, and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as

proxyholder for the Registered Shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by Wednesday, August 23, 2023 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used). A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the Registered Shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

All references to Shareholders in this Circular, the Notice of Meeting and the accompanying Proxy are to Registered Shareholders as set forth on the list of Registered Shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the Record Date, the Company's authorized capital consists of an unlimited number of Common Shares of which 51,892,311 shares common shares are issued and outstanding and an unlimited number of preferred shares of which none are issued and outstanding. All Common Shares in the capital of the Company carry the right to one vote. Shareholders registered as of July 12, 2023 are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes of the Proxy.

To the knowledge of Management, as of the date of the Record Date, the following persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company:

Shareholder	Type of Ownership	Number of Common Shares	Percentage of Issued Capital⁽²⁾
Shpirtrat Trust⁽¹⁾	Direct	9,560,212	18.66%
ExpoWorld Ltd.⁽¹⁾	Direct	238,395	2.77%

Note:

(1) 238,395 Common Shares and 1,200,000 Options are held by Expoworld Ltd. of which Mr. Passalacqua is a director 9,560,212 Common Shares and 122,500 Warrants are held by Shpirtrat Trust, of which Mr. Passalacqua is trustee. Mr. Passalacqua beneficially own, directly or indirectly, or exercise control or direction 21.43% issued and outstanding Common Shares of the Company on a fully diluted basis.

(2) On a fully-diluted basis.

Quorum

The quorum for the transaction of business at the Meeting is two Shareholders, or one or more proxyholders representing two members, or one member and a proxyholder representing another member.

Record Date

We have set the close of business on July 12, 2023, as the record date (the "**Record Date**") for the Meeting. Only the Shareholders of record as at the Record Date are entitled to receive notice of and to vote, unless after that date a Shareholder of record transfers his or her Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he or she owns such Common Shares, requests at least ten (10) days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee is entitled to vote such

Common Shares at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

FIX THE NUMBER OF DIRECTORS

The Board is currently composed of five directors. At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution to fix the number of directors of the Corporation at five.

The Board recommends that Shareholders vote FOR the resolution fixing the number of directors at five. To be effective, the foregoing resolution must be approved by not less than one-half of the votes cast by the Shareholders present in person, or represented by proxy, and entitled to vote at the Meeting. Unless the Shareholder directs that his or her Common Shares are to be voted against the resolution fixing the number of directors at five the persons named in the Proxy intend to vote FOR the resolution fixing the number of directors at five (5).

ELECTION OF DIRECTORS

It is proposed that the below-stated nominees be elected at the Meeting as directors of the Company for the ensuing year (“**Management Nominees**”). The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote for the election to the Board of the nominees listed below.

Each director will hold office until the next annual general meeting of Shareholders, unless such office is earlier vacated by the death or resignation of the director or by removal in accordance with the *Business Corporations Act* (British Columbia).

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of common shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular:

Name & Municipality of Residence and Position	Principal Occupation for Past Five Years	Director or Officer of the Company Since	Number and Percentage of Common Shares Owned
John Passalacqua , ⁽⁶⁾ (Ontario, Canada) <i>Director, Chief Executive Officer</i>	President of Expoworld Ltd. (May 1998 to present)	2021	9,798,697 ⁽¹⁾ 18.66%
Bennett Kurtz , (Ontario, Canada) <i>Director, Chief Administrative Officer, and Corporate Secretary</i>	President and Managing Director of Kurtz Financial Group (April 2007 to present) CFO of RDARS Inc. (March 2022 to present.) CEO of Free Battery Metal Limited (June 2023 to present)	2021	3,035,776 ⁽²⁾ 5.89%
Laurence W. Zeifman , ⁽⁶⁾ (Ontario, Canada)	Audit Partner of Zeifmans LLP, Chartered Professional Accountants. (June 1987 to present)	June 23, 2022	3,476,826 ⁽³⁾ 6.70%

<i>Chairman and Independent Director</i>			
Marc Branson , ⁽⁶⁾ (British Columbia, Canada) <i>Independent Director</i>	President of CapWest Investments (January 2007 to present) President of District Mines Ltd. (September 2015 to present) President of Lightning Ventures Inc. (June 2014 to present)	2021	702,381 ⁽⁴⁾ 1.35%
Peter Kent (Ontario, Canada) <i>Director and President</i>	Member of Parliament (October 2008 to August 2021)	August 25, 2022	155,506 ⁽⁵⁾ 0.30%

Notes:

- (1) 238,395 Common Shares and 1,200,000 Options are held by Expoworld Ltd. of which Mr. Passalacqua is a director. 9,560,212 Common Shares and 122,500 Warrants are held by Shpirtrat Trust, of which Mr. Passalacqua is trustee.
- (2) 1,958,355 Common Shares, 46,500 Warrants and 600,000 Options are held by POF Capital Corp. and 1,100,421 Common Shares and 30,000 Warrants are held by 582284 Ontario Limited, both of which Mr. Kurtz is the sole owner.
- (3) 3,101,826 Common Shares, 47,557 Warrants, and 600,000 Options are held by Z Six Financial Corporation, of which Mr. Zeifman and his spouse are the sole owners, and 375,000 Common Shares and 187,500 Warrants are held by Mr. Zeifman personally.
- (4) These Common Shares, 58,250 Warrants, and 600,000 Options are held by CapWest Investment Corp. of which Marc Branson is the sole owner.
- (5) 127,506 Common Shares, 52,312 Warrants, and 600,000 Options are held by Peter Kent Investments Inc., of which Mr. Kent is the sole owner, and 28,000 Common Shares are held by Mr. Kent personally.
- (6) Member of Audit Committee.

The following are brief biographies of the Nominees:

Chairman - Laurence W. Zeifman, CPA, Age 62, is an audit partner of Zeifmans LLP, a mid-sized Toronto public accounting firm. Larry has four decades of experience in public accounting and serves as chair of Nexia Canada, the Canadian division of the eighth largest international accounting network. He is also a Director of the Ottawa Senators Hockey Club and is an Alternate Governor of the National Hockey League. Larry is financially literate within the meaning of NI 52-110. Mr. Zeifman expects to devote approximately 5% of his time to the affairs of the Company.

Independent Director - Marc Branson, Age 48, is president of CapWest Investment Corp. Throughout his career, Marc has founded and grown companies in multiple sectors including mining, industrials, manufacturing, marketing, and consumer electronics. Marc currently serves on a number of public and private companies and is financially literate within the meaning of NI 52-110. He provides management and strategic guidance. Mr. Branson expects to devote approximately 10% of his time to the affairs of the Company.

Chief Executive Officer and Director - John Passalacqua, Int'l MBA, Age 52, is an international business strategist with over 35 years of extensive technology and capital markets experience. In 1998, John gained the title of a top 50 international business strategist on the early internet. He is involved in private and public market planning for companies in nascent, visionary industries. John has lived in Quebec and is fluently bilingual in English and French. John is financially literate within the meaning of NI 52-110. Mr. Passalacqua expects to devote approximately 90% of his time to the affairs of the Company.

Chief Administrative Officer, Corporate Secretary, and Director - Bennett Kurtz, Age 63, is principal of Kurtz Financial Group. He has experience in financing public companies and taking private companies public. Bennett has multi-faceted business experience in finance, management, sales, marketing and administrative functions including business analysis, public business unit segmentation, internal and external analytics. Mr. Kurtz expects to devote approximately 50% of his time to the affairs of the Company.

President and Director - Peter Kent, Age 80, was an international broadcast journalist, reporter, producer (CTV, CBC, NBC, Monitor, Global) for four decades. Elected to Canadian Parliament in 2008, Peter served in the Department of Foreign Affairs as Minister of State for the Americas, and as Environment Minister. He oversaw improvements to the environmental assessment of resource projects and responsible resource development. Mr. Kent expects to devote approximately 75% of his time to the affairs of the Company.

None of the directors were elected under any arrangement or understanding between the director and any other person or company.

Individual Bankruptcies, Penalties or Sanctions

To the knowledge of management of the Company and except as disclosed below, no proposed director is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) while that person was acting in that capacity was the subject of a cease trade order or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under Canadian securities legislation (any such order referred to as an “**Order**”), for a period of more than 30 consecutive days; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

To the knowledge of management of the Company, no proposed director is or has been during the ten years prior to the date hereof, a director or executive officer of any company (including the Company) 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.

To the knowledge of management of the Company, no proposed director, during the ten years prior to the date hereof, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the proposed director.

To the knowledge of the management of the Company, no proposed director has been subject to: (i) 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 (ii) any other 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.

Mr. Branson, a director of the Company, was a director of MJ Bioscience Corp. (“**MJ Bioscience**”) and Highmark Technologies Inc. (“**Highmark**”), two companies that were created via a plan of arrangement and although not trading, they were subsequently subject to failure-to-file cease trade orders for the failure to file their respective: (i) financial statements for the financial year ended October 31, 2015, (ii) its management’s discussion and analysis for the financial year ended October 31, 2015, and (iii) the certification of the foregoing filings as required by applicable Securities Laws. The failure-to-file cease trade order against MJ Bioscience was revoked in full on June 19, 2018. Highmark is no longer an active corporate entity.

Mr. Branson joined the board of directors of Oil Optimization Inc., which previously traded on the NEX market of the TSX Venture Exchange, in October 2016 after it was subject to cease trade orders from the BCSC, Ontario Securities Commission, and Manitoba Securities Commission in May 2016 for a failure to file its financial statements and management’s discussion and analysis for the financial year ended December 31, 2015. As of the date hereof, Oil Optimization Inc. remains subject to the aforementioned cease trade orders.

APPOINTMENT OF AUDITOR

Management intends to nominate Davidson & Company LLP of Vancouver, British Columbia, for reappointment as auditor of the Company for the ensuing year to hold office until the close of business of the next annual general meeting of Shareholders at remuneration to be fixed by the Board.

The Board recommends that Shareholders vote FOR the reappointment of Davidson & Company LLP as the auditor of the Company and vote FOR the authorization of the Board to set the remuneration. It is intended that all proxies received will be voted in favour of the appointment of Davidson & Company as auditor of the Company unless a Proxy contains instructions to withhold the same from voting. It is intended that all proxies received will be voted in favour of the authorization of the Board to fix the remuneration unless a Proxy contains instructions to vote against the authorization of the Board to fix the remuneration.

APPROVAL FOR THE OMNIBUS EQUITY INCENTIVE PLAN AND TO REPEAL AND REPLACE THE EXISTING STOCK OPTION PLAN AND EXISTING RSU PLAN

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve with or without variation, an ordinary resolution of disinterested Shareholders (the “**Omnibus Equity Incentive Plan Resolution**”) to authorize and approve the adoption of an omnibus equity incentive plan (“**Omnibus Plan**”) of the Corporation, the full text of which is set forth in Schedule “A” to the Circular, and to repeal and replace the Existing Stock Option Plan and Existing RSU Plan as adopted by the Company’s shareholders in the Company’s annual and general meeting held on August 25, 2022. To be effective, the Omnibus Equity Incentive Plan Resolution requires the affirmative vote of not less than a majority of the votes cast by the Disinterested Shareholders present in person or represented by proxy and entitled to vote at the Meeting. For purposes of approval of the Omnibus Equity Incentive Plan Resolution, none of the current officers, directors or insiders of the Corporation will be eligible to participate in the Omnibus Plan and thus none of their Common Shares will be included in determining whether the Omnibus Equity Incentive Plan Resolution has been approved.

If the Omnibus Plan is approved by the Shareholders at the Meeting, all outstanding stock options and RSUs would continue to be outstanding and in force, except that they would henceforth be governed by, and subject to the terms and conditions of, the Omnibus Plan. In accordance with the CSE Policies, the Omnibus Plan must be re-approved by the Shareholders of the Company no later than August 25, 2026 being that date that is three years after the date of the Meeting. If the Shareholders fail to approve the Omnibus Plan at the Meeting, the outstanding stock options and RSUs will continue to be governed in accordance with their terms and conditions under the Existing Stock Option Plan and Existing RSU Plan.

The material terms of the Omnibus Plan are summarized below but are qualified by the entirety of the Omnibus Plan, a copy of which is attached hereto as Schedule “A”.

Summary of the Omnibus Plan

The principal features of the Omnibus Plan are summarized below:

Purpose, Administration and Eligible Participants

The purpose of the Omnibus Plan is to advance the interests of the Company through the motivation, attraction and retention of key employees, consultants and directors of the Company and designated affiliates of the Company and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by key employees, consultants and directors of the Company and the designated affiliates of the Company through the granting of non-transferable options to purchase Common Shares (the “**Options**”) and RSUs (together, the “**Awards**”) to eligible participants under the Omnibus Plan. Pursuant to the Omnibus Plan, the Board may delegate the administration of the Omnibus Plan to a committee (the “**Committee**”) of the directors of the Company authorized to carry out such

administration and, failing a committee being so designated, the Omnibus Plan is to be administered by the Board. The Omnibus Plan will be administered by the Board with the assistance of the Compensation Committee. The Compensation Committee is authorized, subject to the provisions of the Omnibus Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Omnibus Plan, and to make determinations and take such other action in connection with or in relation to the Omnibus Plan as it deems necessary or advisable.

Subject to the provisions of the Omnibus Plan, the Committee has the authority to select those persons to whom Awards will be granted.

In respect of a grant of Options, eligible participants under the Omnibus Plan include the directors, officers and employees (including both full-time and part-time employees) of the Company or of any designated affiliate of the Company and any person or corporation engaged to provide ongoing management, advisory or consulting services for the Company or a designated affiliate of the Company or any employee of such person or corporation. In respect of a grant of RSUs, eligible participants under the Omnibus Plan include the directors, officers and employees (including both full-time and part-time employees) of the Company or of any designated affiliate of the Company and any person or corporation engaged to provide ongoing management, advisory or consulting services for the Company or a designated affiliate of the Company or any employee of such person or corporation, and any persons retained to provide Investor Relations Activities (as such terms are defined in the policies of the CSE).

Any shares subject to an Award under the proposed Omnibus Plan that are not purchased or are forfeited, cancelled, expire unexercised, are settled in cash, or are used or withheld to satisfy tax withholding obligations of a Participant shall again be available for Awards under the proposed Omnibus Plan. Financial assistance or support agreements may be provided by the Corporation or any related entity to Participants in connection with grants under the proposed Omnibus Plan, including full, partial or non-recourse loans if approved by the Corporation's board of directors (with interested persons abstaining, if applicable).

Common Shares Subject to the Omnibus Plan

The aggregate number of Common Shares reserved for issue under the Omnibus Plan may not exceed twenty percent (20%) of the Common Shares outstanding from time to time. The Omnibus Plan is a "rolling" maximum share Omnibus Plan, and any increase or reduction in the number of outstanding Common Shares will result in an increase or reduction, respectively, in the number of Common Shares that are available to be issued under the Omnibus Plan. The Omnibus Plan is considered an "evergreen" plan, since the Common Shares covered by Options and Awards that have been exercised or redeemed, as the case may be, shall be available for subsequent grants under the Omnibus Plan.

As of the Record Date, up to 79,744 Common Shares (representing approximately .012% of the issued and outstanding Common Shares of the Corporation) are issuable under Options and Awards outstanding at the date hereof, out of a total available of 6,836,744 Common Shares with respect to the Existing Stock Option Plan and Existing RSU Plan.

As at the Record Date, there were nil Common Shares reserved for issue upon the exercise of outstanding Options and nil Common Shares reserved for issued but unvested RSUs, representing in the aggregate approximately 0% of the issued and outstanding Common Shares, leaving approximately 79,744 Common Shares currently available to be reserved for issuance pursuant to new grants of Awards under the Omnibus Plan.

The maximum number of Common Shares reserved for issue pursuant to Awards granted to participants who are insiders of the Company in any twelve (12) month period may not exceed, in the aggregate, fifteen percent (15%) of the number of Common Shares then outstanding, unless disinterested shareholder approval of the Company is received therefor in accordance with the policies of the CSE and the Omnibus Plan. The maximum number of Common Shares reserved for issue pursuant to Awards granted under the Omnibus Plan to any one participant in any twelve (12) month period shall not exceed five percent (5%) of the number of Common Shares then outstanding, unless disinterested shareholder approval of the

Company is received therefor. The maximum number of Common Shares reserved for issue under Awards granted to any one participant (other than a participant who is an eligible director or eligible employee) in any twelve (12) month period shall not exceed two percent (2%) of the number of Common Shares then outstanding.

The maximum number of Common Shares reserved for issue under Options granted to all eligible employees and to all participants (other than participants who are eligible directors) conducting Investor Relations Activities in any twelve (12) month period shall not exceed, in the aggregate, two percent (2%) of the number of Common Shares then outstanding. Options granted to participants (other than participants who are eligible directors or eligible employees) performing investor relations activities shall vest in stages over a twelve (12) month period, with no more than one-fourth ($\frac{1}{4}$) of the Options vesting in any three (3) month period. The Committee shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Company by all grantees of Options performing investor relations activities.

Option Awards

Nature of Options

An Option is an option granted by the Company to a participant entitling such participant to acquire a designated number of Common Shares from treasury at the exercise price. The Company is obligated to issue and deliver the designated number of Common Shares on the exercise of an Option and shall have no independent discretion to settle an Option in cash or other property other than Common Shares issued from treasury.

Exercise Price of Options

The exercise price of any Option may not be less than the closing price of the Common Shares on the principal stock exchange on which the Common Shares are listed on the last trading day immediately preceding the date of grant of the Option less the maximum discount, if any, permitted by the CSE (or the most restrictive exchange policies of which the Company is listed on) and, if the Common Shares are not then listed on any stock exchange, the exercise price may not be less than the fair market value of the Common Shares as may be determined by the Committee on the day immediately preceding the day of the grant of such Option.

Expiry Date of Options

Each Option, unless sooner terminated pursuant to the provisions of the Omnibus Plan, will expire on a date to be determined by the Committee at the time the Option is granted, subject to amendment by an employment contract, which date cannot be later than ten (10) years after the date the Option is granted. However, if the expiry date falls within a "blackout period" or within ten (10) business days after the expiry of a "blackout period", then the expiry date of the Option will be the date which is ten (10) business days after the expiry of the blackout period.

Vesting and Exercise of Options

Except as otherwise provided in the Omnibus Plan or in any employment contract, each Option may be exercised during the term of the Option only in accordance with the vesting schedule, if any, determined by the Committee at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option, subject to applicable regulatory requirements. If the Committee does not determine a vesting schedule at the time of the grant of any particular Option, such Option will be exercisable in whole at any time, or in part from time to time, during the term of the Option.

Effect of Termination

No Option granted under the Omnibus Plan may be exercised unless the optionee at the time of exercise thereof is:

- a) in the case of an eligible employee, an officer of the Company or a designated affiliate of the Company or in the employment of the Company or a designated affiliate of the Company and has been continuously an officer or so employed since the date of the grant of such Option;
- b) in the case of an eligible director who is not also an eligible employee, a director of the Company or a designated affiliate of the Company and has been such a director continuously since the date of the grant of such Option; and
- c) in the case of any other eligible participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Company or a designated affiliate of the Company and has been so engaged since the date of the grant of such Option;

provided, however, that if a participant: (i) ceases to be a director of the Company and of the designated affiliates of the Company (and is not or does not continue to be an employee thereof) for any reason (other than death); or (ii) ceases to be employed by, or provide services to, the Company or the designated affiliates of the Company (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Company or the designated affiliates of the Company, for any reason (other than death) or receives notice from the Company or any designated affiliate of the Company of the termination of his or her employment contract, except as otherwise provided in any employment contract, such participant will have ninety (90) days from the date of such termination to exercise his or her Options to the extent that such participant was entitled to exercise such Options at the date of such termination. Notwithstanding the foregoing or any employment contract, in no event shall such right extend beyond the period during which the Option was exercisable under the terms of its grant or one (1) year from the date of such termination.

RSU Awards

Nature of an RSU

An RSU is an Award that is a bonus for services rendered in the year of grant, that, upon settlement, entitles the recipient participant to receive a cash payment equal to the closing price of the Common Shares on the CSE on the last trading date prior to the applicable vesting date or, at the sole discretion of the Committee, a Common Share, and subject to such restrictions and conditions on vesting as the Committee may determine at the time of grant, unless such RSU expires prior to being settled.

Vesting

The Committee shall have sole discretion to determine if any vesting conditions with respect to an RSU, including any performance criteria or other vesting conditions contained in the applicable restricted share unit agreement, have been met or waive the vesting conditions applicable to RSUs (or deem them to be satisfied), and shall communicate to a participant, as soon as reasonably practicable, the date on which all such applicable vesting conditions in respect of a grant of RSUs have been satisfied and the RSUs have vested.

Settlement

Subject to the vesting and other conditions and provisions in the Omnibus Plan and in the applicable restricted share unit agreement, each RSU awarded to a participant shall entitle the participant to receive, on settlement, a cash payment equal to the closing price of the Common Shares on the CSE on the last trading date prior to the vesting date, or, at the discretion of the Committee, one Common Share or any combination of cash and Common Shares as the Committee in its sole discretion may determine, in each case less any applicable withholding taxes. The Company (or the applicable designated affiliate) may, in

its sole discretion, elect to settle all or any portion of the cash payment obligation by the delivery of Common Shares issued from treasury or acquired by a designated broker in the open market on behalf of the participant. Subject to the terms and conditions in the Omnibus Plan, vested RSUs shall be redeemed by the Company (or the designated affiliate) as described above on the 15th day following the vesting date. Notwithstanding any other provisions in the Omnibus Plan, no payment, whether in cash or in Common Shares, shall be made in respect of the settlement of any RSUs later than December 15th of the third calendar year following the end of the calendar year in respect of which such RSU is granted.

Dividend Equivalents

Dividend equivalents may, as determined by the Committee in its sole discretion, be awarded as a bonus for services rendered in the year in respect of unvested RSUs in a participant's account on the same basis as cash dividends declared and paid on Common Shares as if the participant was a holder of record of Common 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.

Effect of Death

If a participant dies, any unvested RSUs in the participant's account as at the date of such death shall become immediately forfeited and cancelled. For greater certainty, where a participant's employment or service relationship with the Company or a designated affiliate is terminated as a result of death 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. Notwithstanding the foregoing, if the Committee, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested RSUs, the date of such action is the applicable vesting date.

Effect of Termination

If a participant: (i) ceases to be a director or the Company or of a designated affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or (ii) ceases to be employed by, or provide services to, the Company or the designated affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Company or the designated affiliates, for any reason (other than death) or shall receive notice from the Company or the designated affiliates of the termination of their employment contract; the participant's participation in the Omnibus Plan will be terminated immediately, all RSUs credited to such participant's account that have not vested will be forfeited and cancelled, and the participant's rights that relate to such participant's unvested RSUs shall be forfeited and cancelled on the termination date. Notwithstanding the foregoing, if the Committee, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested RSUs, the date of such action is the applicable vesting date.

Consolidation, Merger, etc.

If there is a consolidation, merger or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two (2) or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity, upon the exercise or settlement, if applicable, of an Award under the Omnibus Plan the holder thereof is entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had been a holder of Common Shares immediately prior to the effective time of such event, unless the Committee otherwise determines 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 event.

Securities Exchange Take-Over Bid

If a take-over bid (within the meaning of the *Securities Act* (British Columbia)) is made as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute of the Company or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all participants requiring them to surrender their Awards within ten (10) days of the mailing of such notice, and the optionees shall be deemed to have surrendered such Awards on the tenth (10th) day after the mailing of such notice without further formality, provided that, among other things, the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement options to the participants on the equity securities offered as consideration.

Acceleration on Take-Over Bid, Consolidation or Merger

In the event that: (a) the Company seeks or intends to seek approval from the shareholders of the Company for a transaction which, if completed, would constitute an Acceleration Event (as hereinafter defined); or (b) a person makes a bona fide offer or proposal to the Company or the shareholders of the Company which, if accepted or completed, would constitute an Acceleration Event, then the Company is required to send notice to all optionees of such transaction, offer or proposal as soon as practicable. Provided that the Committee has determined that no adjustment will be made under the provisions of the Omnibus Plan described above under the heading "Consolidation, Merger, etc."; (i) the Committee may by resolution, and notwithstanding any vesting schedule applicable to any Option, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise. An "Acceleration Event" means an acquisition by any offeror of beneficial ownership of more than fifty percent (50%) of the votes attached to the outstanding voting securities of the Company, any consolidation merger or statutory amalgamation or arrangement of the Company with or into another corporation and pursuant to which the Company will not be the surviving entity (other than a transaction under which the shareholders of the Company immediately prior to completion of the transaction will have the same proportionate ownership of the surviving corporation), a separation of the business of the Company into two (2) or more entities, a sale, lease exchange or other transfer of all or substantially all of the assets of the Company to another entity or the approval by shareholders of the Company of any plan of liquidation or dissolution of the Company.

Amendments, Modifications and Changes

The Committee has the right under the Omnibus Plan to make certain amendments to the Omnibus Plan, including, but not limited to, amendments of a "housekeeping" nature, to comply with applicable law or regulation, to the vesting provisions of the Omnibus Plan, to the terms of any Award previously granted (with the consent of the optionee), and with respect to the effect of the termination of an optionee's position, employment or services under the Omnibus Plan, to the categories of persons who are participants in respect of the administration or implementation of the Omnibus Plan.

The Committee has the right, under the Omnibus Plan, with the approval of the shareholders of the Company, to make certain amendments to the Omnibus Plan, including, but not limited to, any change to the number of Common Shares issuable from treasury under the Omnibus Plan, any amendment which reduces the exercise price of any Award, any amendment which extends the expiry date of an Award other than as permitted under the Omnibus Plan, any amendment which cancels any Award and replaces such Award with an Award which has a lower exercise price, any amendment which would permit Awards to be transferred or assigned by any participant other than as currently permitted under the Omnibus Plan, and any amendments to the amendment provisions of the Omnibus Plan.

Omnibus Equity Incentive Plan Resolution

At the Meeting, Shareholders will be asked to consider, and if thought advisable, to ratify, confirm and approve the Omnibus Plan Resolution, as follows:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the existing stock option plan dated August 25, 2022 (the **“Existing Option Plan”**) and existing RSU plan dated July 28, 2022, and attached as Schedules **“C”** and **“D”** to the Circular, be and are hereby repealed;
2. the omnibus equity incentive plan (**“Omnibus Plan”**) of the Company is hereby ratified, approved, confirmed and adopted;
3. the effective date of the Omnibus Plan shall be August 25, 2023 (the **“Effective Date”**);
4. subject to all required regulatory approvals, including the approval of the CSE, if required, and shareholder approval, the Omnibus Plan be approved, and that the Omnibus Plan be forthwith adopted and implemented by the Company, with such further deletions, additions and other amendments as are required by any securities regulatory authority or which are not substantive in nature and the Chief Executive Officer of the Company deems necessary or desirable;
5. the Compensation Committee of the Board of Directors of the Company (the **“Board”**) (or such other committee the Board may appoint), be and is hereby appointed to administer and implement the Omnibus Plan and such appointment to be effective until revoked by resolution of the Board;
6. the number of common shares of the Company (the **“Common Shares”**) issuable pursuant to the Omnibus Plan is up to a maximum of 20% of the issued and outstanding Common Shares at the time of grant pursuant to awards granted under the Omnibus Plan, and out of that 20% maximum, up to 15% shall be issuable to Insiders (as a group) and 10% to Eligible Employees and Consultants of the issued and outstanding Common Shares at the time of grant pursuant to awards granted under the Omnibus Plan, subject to any limitations imposed by applicable regulations, laws, rules and policies;
7. the Compensation Committee of the Board (or such other committee the Board may appoint) be and is hereby authorized and directed to execute on behalf of the Company, the form of Award agreement attached as Schedule A to the Omnibus Plan, providing for the grant of Awards to eligible persons under the Omnibus Plan;
8. the Company must seek Shareholder re-approval of the Omnibus Plan no later than August 25, 2026 and, if it fails to obtain such shareholder approval, no Award shall be granted until the Shareholders reapprove the Omnibus Plan or an amended version or a replacement of the same;
9. the Company is hereby authorized to allot and issue as fully paid and non-assessable that number of Common Shares specified in the Award agreements and that any two authorized persons of the Company be authorized to execute such treasury order or treasury orders as may be necessary to affect the said issuance of Common Shares; and
10. any one or more director or officer of the Company is hereby authorized, for and on behalf and in the name of Company, to execute and deliver, whether under corporate seal of Company or otherwise all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

The Board unanimously recommends that disinterested Shareholders vote their Common Shares FOR the Omnibus Equity Incentive Plan Resolution.

UNLESS OTHERWISE DIRECTED IN A PROPERLY COMPLETED FORM OF PROXY, IT IS THE INTENTION OF INDIVIDUALS NAMED IN THE ENCLOSED FORM OF PROXY TO VOTE FOR THE OMNIBUS EQUITY INCENTIVE PLAN RESOLUTION. IF YOU DO NOT SPECIFY HOW YOU WANT YOUR COMMON SHARES VOTED AT THE MEETING, THE PERSONS NAMED AS PROXYHOLDERS IN THE ENCLOSED FORM OF PROXY WILL CAST THE VOTES REPRESENTED BY YOUR PROXY AT THE MEETING FOR THE OMNIBUS EQUITY INCENTIVE PLAN RESOLUTION.

EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended February 28, 2023, the Company had three Named Executive Officers (“NEOs”) being, Bennett Kurtz, Chief Administrative Officer and Corporate Secretary (former Chief Financial Officer (“CFO”), John Passalacqua, Chief Executive Officer (“CEO”), and Peter Kent, President.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEOs under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Company’s NEOs is determined by the Board. The general objectives of the Board’s compensation decisions are:

- to encourage Management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align Management’s interests with the long-term interest of Shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company’s overall financial position.

The Board’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, a NEO’s compensation is comprised of contractor payments and Options.

Option grants are designed to reward the NEOs for success on a similar basis as the Shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

Share-Based and Option-Based Awards

The Board is responsible for Options to the NEOs. Option grants are designed to reward the NEOs for success on a similar basis as the Shareholders, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new Options are granted, the Board takes into account the previous grants of Options, the number of Options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability

to influence corporate and business performance. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the Options granted is generally determined by the market price at the time of grant, less any allowable discount.

Risk of Compensation Practices and Disclosure

The Company has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long-term sustainability. The discretionary nature of annual bonus awards and Option grants are significant elements of the Company's compensation plans and provide the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, 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.

DIRECTOR AND NEO COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table (presented in accordance with Form 51-102F6V, is a summary compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Issuers' two most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bennett Kurtz CAO, Corporate Secretary and Director (Former CFO) ⁽¹⁾	2022 2021	\$60,000 Nil	\$19,000 Nil	Nil Nil	Nil Nil	Nil Nil	\$79,000 Nil
Lorilee Kozuska (Former CEO and CFO) ⁽²⁾	2022 2021	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil	N/A Nil
John Passalacqua CEO	2022 2021	\$90,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$90,000 Nil
Garry Siskos CFO and COO ⁽¹⁾	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Marc Branson Independent Director	2022 2021	\$22,500 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$22,500 Nil
Peter Kent	2022	\$45,000	Nil	Nil	Nil	Nil	\$45,000

<i>Director and President</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
Laurence W. Zeifman <i>Chairman and Independent Director</i>	2022 2021	\$25,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$25,000 Nil

Notes:

- (1) Mr. Kurtz resigned as Chief Financial Officer and was replaced by Garry Siskos on May 22, 2023. Mr. Kurtz was appointed Chief Administrative Officer on May 22, 2023.
- (2) On July 12, 2021, Lorilee Kozuska resigned as the Company's President, CEO, CFO, Corporate Secretary, and Director.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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
John Passalacqua, CEO and Director	Options	600,000 COMMON SHARES	Sept 14, 2022	\$0.25 per share	N/A	\$1.09 per share	FEB. 23, 2025
John Passalacqua, CEO and Director	Options	600,000 COMMON SHARES	Dec. 22, 2022	\$0.35 per share	N/A	\$1.09 per share	FEB. 23, 2025
Bennett Kurtz, CAO and Director	Options	300,000 COMMON SHARES	Sept 14, 2022	\$0.25 per share	N/A	\$1.09 per share	FEB. 23, 2025
Bennett Kurtz, CAO and Director	Options	300,000 COMMON SHARES	Dec. 22, 2022	\$0.35 per share	N/A	\$1.09 per share	FEB. 23, 2025
Garry Siskos, CFO		732,000 COMMON SHARES	April 24, 2023	\$0.70 per share	N/A	\$0.51 per share	April 25, 2026
Laurence W. Zeifman, Chairman and Director	Options	300,000 COMMON SHARES	Sept 14, 2022	\$0.25 per share	N/A	\$1.09 per share	FEB. 23, 2025
Laurence W. Zeifman, Chairman and Director	Options	300,000 COMMON SHARES	Dec. 22, 2022	\$0.35 per share	N/A	\$1.09 per share	FEB. 23, 2025
Marc Branson, Director	Options	300,000 COMMON SHARES	Sept 14, 2022	\$0.25 per share	N/A	\$1.09 per share	FEB. 23, 2025
Marc Branson, Director	Options	300,000 COMMON SHARES	Dec. 22, 2022	\$0.35 per share	N/A	\$1.09 per share	FEB. 23, 2025
Peter, Kent, President and Director	Options	300,000 COMMON SHARES	Sept 14, 2022	\$0.25 per share	N/A	\$1.09 per share	FEB. 23, 2025
Peter, Kent,	Options	300,000 COMMON	Dec. 22, 2022	\$0.35 per share	N/A	\$1.09 per share	FEB. 23,

President and Director		SHARES					2025
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EXERCISE OF COMPENSATION SECURITIES

There were no compensation securities exercised during the Company's fiscal year 2022.

STOCK OPTION PLAN AND RSU PLAN

Existing Stock Option Plan

On August 25, 2022, the Shareholders approved the Existing Stock Option Plan to grant incentive stock options ("Options") to directors, officers, key employees and consultants of the Corporation. Pursuant to the Existing Option Plan, the Corporation may reserve up to a maximum of 20% of the issued and outstanding Common Shares at the time of the Existing Option Plan's implementation (collectively between the Existing Option Plan and the Existing RSU Plan (see below)), which was 34,183,718 Common Shares as of the Company's last annual general and special meeting held on August 25, 2022.

Purpose

The purpose of the Existing Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. The Existing Stock Option Plan is administered by the Compensation Committee appointed from time to time by the Board, pursuant to rules of procedure fixed by the Board. All stock options granted pursuant to the Existing Stock Option Plan will be subject to the rules and policies of the Canadian Securities Exchange (the "CSE").

Eligibility

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or Corporation which provides management services to the Corporation or its subsidiaries shall be eligible for selection to participate in the Existing Stock Option Plan.

Availability

The Existing Stock Option Plan provides that the aggregate number of Common Shares that may be issued upon the exercise of Options cannot exceed 20% of the number of Common Shares issued and outstanding at the time of the Existing Option Plan's implementation.

The number of Common Shares reserved for issue to any one person pursuant to the Existing Stock Option Plan may not exceed 5% of the issued and outstanding Common Shares at the date of such grant, unless the Corporation has obtained approval by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates. The number of Common Shares issuable to (a) any one consultant, or (b) parties providing investor relations services, in any 12-month period, cannot exceed 2% of the issued and outstanding Common Shares. The number of Common Shares subject to an Option granted to any one participant shall be determined by the Board, but no one participant shall be granted an option which exceeds the maximum number permitted by the Exchange. In no circumstances shall the maximum term of any Options granted under the Existing Stock Option Plan exceed ten (10) years.

Exercise Pricing

The exercise price of the Common Shares subject to each Option shall be determined by the Board, subject to applicable Exchange approval, if required, at the time any Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. Once the exercise price has

been determined by the Board, accepted by the Exchange, if necessary, and the Option has been granted, the exercise price of an Option may be reduced upon receipt of Board approval, subject to any requirements of the Exchange.

Vesting

Subject to the requirements of the Exchange, the vesting provisions, the terms and conditions of exercise and forfeiture of the Options and the applicable option exercise expiry date for Options granted under the Existing Stock Option Plan will be determined by the Board at the time of issuance.

Management believes the Existing Stock Option Plan will provide the Corporation with a sufficient number of Common Shares issuable under the Existing Stock Option Plan to fulfill the purpose of the Existing Stock Option Plan, namely, to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and consultants of the Corporation who, in the judgment of the Board, will be largely responsible for its future growth and success.

Existing RSU Plan

On August 25, 2022, the Shareholders approved the Existing RSU Plan to grant restricted share units (each, an “**RSU**”) to directors, officers, key employees and consultants of the Corporation. Pursuant to the Existing RSU Plan and together with the Existing Stock Option Plan, the Corporation may reserve up to a maximum of 20% (collectively between the two plans) of the issued and outstanding Common Shares at the time of the Existing RSU Plan’s implementation which was 34,183,718 Common Shares as of the Company’s last annual general and special meeting held on August 25, 2022.

The Existing RSU Plan provides for granting of RSUs for the purposes of advancing the interests of the Corporation through motivation, attraction and retention of employees, officers, consultants and directors by granting equity-based compensation incentives, in addition to the Corporation’s Existing Stock Option Plan.

RSUs granted pursuant to the Existing RSU Plan will be used to compensate participants for their individual performance-based achievements and are intended to supplement stock option awards in this respect, the goal of such grants is to more closely tie awards to individual performance based on established performance criteria.

The Existing Stock Option Plan and Existing RSU Plan have been adopted to provide Options and RSU’s which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Corporation. In determining the number of Options or RSU’s to be granted to the executive officers, independent directors with consultation of the Board takes into account the number of Options or RSU’s, if any, previously granted to each executive officer, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the Exchange and closely align the interests of the executive officers with the interests of shareholders.

Proposed Omnibus Equity Incentive Plan

See “Particulars of Matters to be Acted Upon – Omnibus Equity Incentive Plan Resolution”.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

Expoworld Ltd. Of 4936 Yonge Street, Suite 153, Toronto, ON M2N-6S3 is a private company controlled by John Passalacqua, will provide management services to the Company. The agreed upon rate for Mr. Passalacqua’s officer and director services is a monthly fee equal to \$24,000 plus applicable taxes and

reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

POF Capital Corp of 506-500 Glencairn Ave, Toronto, ON M6B 1Z1 is a private company controlled by Bennett Kurtz CAO, Corporate Secretary, Former CEO, and director of the Company. POF Capital Corp provides management services to the Company on behalf of Mr. Kurtz. To date POF Capital Corp has not invoiced the Company anything for the services performed. The agreed upon rate however is that a monthly fee for the officer and director services shall equal \$12,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Siskos and Associates Inc. of 15260 Yonge Street, Suite 205, Aurora, ON L4G 1N4 is a private company controlled by Garry Siskos, CPA, CA who will provide services of Chief Operating Officer / Chief Financial Officer Age 60, has over 25 years of international experience (North America, Europe, Asia) as CFO/COO inside entrepreneurial/multinational business environments (public and private). He specializes in strategy, capital raising, structured finance, M&A. Experienced in technology, mining, and automotive. He was involved in two of Canada's Top 100 growth organizations. The agreed upon rate however is that a monthly fee for the officer and director services shall equal \$20,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Peter Kent Investments Inc. of 445 Wellesley Street East Toronto, ON M4X 1H8 is a private company controlled by Peter Kent, president and director of the Company. Peter Kent Investments Inc. provides management services to the Company on behalf of Mr. Kent. The agreed upon rate however is that a monthly fee for the officer and director services shall equal \$12,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Capwest Investments of 1056 Handsworth Road, North Vancouver, BC V7R 2A6 is a private company controlled by Marc Branson a director of the Company. Capwest Investments provides director services to the Company on behalf of Mr. Branson. To date Capwest Investments has not invoiced the Company anything for the services performed. The agreed upon rate however is that a monthly fee for the director services shall equal \$7,200 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Z Six Financial Corporation ("Z Six") of 30 Tangreen Circle, Thornhill, Ontario L4J 5E2 is a private company controlled by Laurence W. Zeifman, a director of the Company. Z Six provides director services to the Company on behalf of Mr. Zeifman. To date Z Six has not invoiced the Company anything for the services performed. The agreed upon rate however is that a monthly fee for the director services shall equal \$7,200 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Gilles Laverdiere is a geologist with more than 40 years of experience in mining exploration. Gilles has planned and supervised drilling projects in Quebec and elsewhere. He was President and CEO of HMZ Metals Inc. Gilles has served as a senior executive and board member of many public mining companies and is a member of the Ordre des Géologues du Québec. The agreed upon rate is at \$160 per hour plus applicable taxes and paid as a monthly fee for services and reimbursement of all out-of-pocket expenses incurred on behalf of the Company.

Except as disclosed above, there are no provisions in such agreements with respect to change of control, severance, termination or constructive dismissal or any relationship between the other party to the agreement and a Director or a NEO of the Company.

Except as disclosed above, there are no provisions in such agreements with respect to change of control, severance, termination or constructive dismissal or any relationship between the other party to the agreement and a Director or a NEO of the Company.

PENSION DISCLOSURE

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance, under equity compensation plans of the Corporation, as at February 28, 2023, the Corporation's most recently completed fiscal year:

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 (#)
Equity compensation plans approved by securityholders	6,225,000 ⁽¹⁾	\$0.30	612,143 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	6,225,000 ⁽¹⁾⁽²⁾	\$0.30	612,143 ⁽³⁾

Notes:

- As at February 28, 2023, the Corporation had 6,225,000 Options issued and outstanding and 612,143 Options remaining authorized for issuance under the Existing Option Plan.
- As February 28, 2023, the Corporation had nil RSUs issued and outstanding and 79,744 RSUs remaining authorized for issuance under the RSU Plan.
- As at February 28, 2023, the Corporation had 48,318,772 Common Shares issued and outstanding. The Existing Option Plan and Existing RSU Plan are both fixed plans and share a 20% limit based on issued and outstanding shares of the Company on the date of implementation, both being on August 25, 2022.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

The Board, at the recommendation of Management, and with the assistance of the applicable committees determines the compensation payable to the directors, if any, of the Company and reviews such compensation periodically throughout the year. There are no other arrangements under which the directors of the Company who are not executive officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary, Options, and RSU awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

- align the interests of executives and Shareholders;
- attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
- pay for performance;
- ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and

5. connect, if possible, the Company's employees into principles 1 through 4 above.

Base Earnings

The Board with the assistance of the applicable committees is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and NEOs within the constraints of the arrangements described under "Employment, Consulting and Management Agreements" above. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan and RSU Plan. The Board also reviews and approves the hiring of executive officers.

Annual Incentives

The success of executive officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each executive officers' performance on the basis of his respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day-to-day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the executive officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies. Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEOs. The NEOs will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no current executive officer, director or employee or former executive officer, director or employee of the Corporation or of any of its subsidiaries is indebted to the Corporation or any of its subsidiaries or any other entity where the indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the best of the knowledge of the directors and executive officers of the Corporation, since the commencement of the Corporation's last completed financial year and the commencement of the preceding financial year, no "informed person" (as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations) of the Corporation, any Nominee, or any associate or affiliate of an informed person, has or had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

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

Except as disclosed below, no director or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, pass ordinary resolutions with respect to the following: i) to repeal the current stock option plan (the “**Existing Option Plan**”) dated July 28, 2022 and the restricted share unit plan dated August 25, 2022 (the “**Existing RSU Plan**”), both adopted by the Shareholders at the Company’s annual and special shareholder meeting held on August 25, 2022, and approving the proposed Omnibus Equity Incentive Plan.

Each current director and executive officer of the Corporation, and each of the Management Nominees are (or will be) eligible participants under the Existing Option Plan, Existing RSU Plan and proposed Omnibus Equity Incentive Plan and, accordingly, could be considered to have a material interest in the approval of the matters listed above.

AUDIT COMMITTEE

The Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule “B” to this Circular.

Composition of Audit Committee and Independence

The Company’s current Audit Committee consists of:

<u>Name</u>	<u>Independence</u> ⁽¹⁾	<u>Financial Literacy</u> ⁽²⁾
Laurence W. Zeifman	Independent	Financially literate
Marc Branson	Independent	Financially literate
John Passalacqua	Not independent	Financially literate

Notes:

- (1) Within the meaning of subsection 6.1.1(3) of National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”), which requires a majority of the members of an audit committee of a venture issuer not to be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer.
- (2) Within the meaning of subsection 1.6 of NI 52-110.
- (3) John Passalacqua, is the CEO of the Company, and as such is not independent within the meaning of NI 52-110.

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment. Of the Company’s current Audit Committee members, a majority thereof, namely, Marc Branson and Laurence W. Zeifman are “independent” within the meaning of NI 52-110.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. All of the members of the Audit Committee are “financially literate” as that term is defined.

Relevant Education and Experience

The following sets out the Audit Committee members’ education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Laurence W. Zeifman, CPA, is an audit partner of Zeifmans LLP, a mid-sized Toronto public accounting firm. Larry has four decades of experience in public accounting and serves as chair of Nexia Canada, the Canadian division of the eighth largest international accounting network.

Marc Branson holds a bachelor’s degree in business administration. Throughout his career, Marc has founded, grown, and managed many companies in multiple sectors including mining, industrials, manufacturing, marketing, and consumer electronics.

John Passalacqua, MBA, is an international business strategist with over 35 years of extensive technology and capital markets experience. He holds an international MBA. In 1998, John gained the title of a top 50 international business strategist on the early internet. He is involved in private and public market planning for companies in nascent, visionary industries.

The Audit Committee is composed of three directors, Laurence W. Zeifman, Marc Branson and John Passalacqua. All of the members of the Audit Committee are “financially literate” within the meaning of National Instrument 52-110. Mr. Zeifman serves as chair of the Audit Committee.

Audit Committee Oversight

Since the commencement of the Company’s financial year ended February 28, 2023, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

As required by National Instrument 52-110, a majority of the members of the Audit Committee are not executive officers, employees or control persons of the Company. The Company is a “venture issuer” as defined in National Instrument 52-110 and as such is relying on the exemption from the requirement that all members of the audit committee be independent.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to Davidson & Company LLP for services rendered in the last two fiscal years:

	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	50,000	8,500.00
Audit related fees ⁽²⁾	9,000	Nil
Tax fees ⁽³⁾	9,200	303.66
All other fees ⁽⁴⁾	720	73.20
Total	\$68,920	\$15,376.86

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest

- services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
 - (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption in Section 6.1

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

Board

It is proposed that Marc Branson, Laurence W. Zeifman, John Passalacqua, Peter Kent, and Bennett Kurtz be re-elected, and Peter Kent be nominated at the Meeting to hold office until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the articles of the Company, unless their offices are earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's articles.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgement. Two of the current members of the Board are considered "independent" and one member is not considered "independent" within the meaning of NI 52-110.

John Passalacqua is the current CEO, and therefore not considered to be "independent." In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. Marc Branson is considered to be independent director as he is independent of management and free from any material interests in the Company which could reasonably be expected to interfere with the exercise of his independent judgment as directors. The basis for this determination is that, since the commencement of the Company's fiscal year ended February 28, 2022, Marc Branson has not worked for the Company, received remuneration from the Company (other than in his capacity as directors), or had material contracts with or material interests in the Company which could interfere with his ability to act in the Company's best interests. Laurence W. Zeifman is considered to be independent director as he is independent of management and free from any material interests in the Company which could reasonably be expected to interfere with the exercise of his independent judgment as directors. The basis for this determination is that, since he joined the Board on June 23, 2022, Laurence W. Zeifman has not worked for the Company, received remuneration from the Company (other than in his capacity as a director), or had material contracts with or material interests in the Company which could interfere with his ability to act in the Company's best interests. If Bennett Kurtz is elected to the Board, he will not be considered "independent" within the meaning of NI 52-110 as he is the current CFO. Peter Kent is considered to be independent director as he is independent of management and free from any material interests in the Company which could reasonably be expected to interfere with the exercise of his independent judgment as directors. The basis for this determination is that Peter Kent does not work for

the Company, receive remuneration from the Company (other than in his nominated capacity as directors), or has material contracts with or material interests in the Company which could interfere with his ability to act in the Company's best interests.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the Shareholders for election as directors and immediately following each annual general meeting appoints the Audit Committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO and CFO of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over Management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

Directorships

The following director(s) of the Company are also directors of other reporting issuers as stated:

Marc Branson is also the director of: CannapharmaRX Inc. CannapharmaRX Inc. is a medical marijuana company specializing in medical cannabis and hemp assets. It trades on the OTC Exchange. Mr. Branson is also a director of Oil Optimization Inc. Oil Optimization Inc. is a company dedicated to developing a wide range of oil and gas assets globally. It trades on the NEX board. Mr. Branson is also a director of Texada Ventures, Hanna Capital Corp. Umdoni Exploration Inc., Highmark Technologies District Mines, Oil Optimization Inc., Biome Grow Inc., Dark Star Minerals, and Weekapaug Lithium Inc.

Orientation and Continuing Education

The Board's practice is to recruit for the Board only persons with extensive experience in business and public company matters and with an understanding of the mining and mining exploration business. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

The Board has not adopted a written code of conduct for directors, officers and employees.

The Board has found that the fiduciary duties placed on individual directors and officers by the Company's governing corporate legislation and on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates in the best interests of the Company.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among Management and a majority of the non-executive directors.

Compensation

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. As well, the number of options to be granted is determined by the Board as a whole, which allows the independent directors to have input into compensation decisions. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

Compensation Committee

The Company's long-term corporate strategy is central to all of the Company's business decisions, including around executive compensation. The Compensation Committee has been established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the evaluation and approval of the Company's compensation plans, policies and programs. The current members of the Compensation Committee are Marc Branson as chair, and Laurence W. Zeifman (the "**Compensation Committee**").

The Compensation Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance by executive officers and other members of senior management in a manner that will enhance the sustainable profitability and growth of the Company.

As the Company grows, the Company's compensation program has been developed to continue to attract, motivate and retain high caliber executives and align their interests with sustainable profitability and growth of the Company over the long-term in a manner which is fair and reasonable to the Shareholders. The compensation program will continue to evolve along with the development of the Company.

The compensation principles of the Board and Compensation Committee going forward are as follows:

- executive officers should be compensated in a manner consistent with current industry practices and in amounts similar to those paid to like positions at comparable companies;
- individual compensation packages should align the interests of the Company and the executive, recognizing each employee's responsibilities and the complexities of the business; and
- compensation should exhibit the value of each employee and be sufficient to not only reward, but also retain the services of each executive.

As a general rule for establishing compensation for NEOs and executive officers, the Compensation Committee will consider the compensation principles noted above as well as the executive's performance, experience and position within the Company and the recommendations of the CEO, or in the case of the CEO, the recommendation of the Chair of the Board. The Compensation Committee uses its discretion to recommend compensation for executive officers at levels warranted by external, internal and individual circumstances.

Compensation Risk Management

In the course of its deliberations, the Board considers the implications of the risks associated with adopting the compensation practices in place from time to time and detect actions of management and employees of the Company that would constitute or lead to inappropriate or excessive risks. Pursuant to the Company's Insider Trading Policy, Directors and executive officers are prohibited from purchasing financial instruments (such as prepaid variable forward contracts, equity swaps or collars) designed to hedge or offset a decrease in the market value of Common Shares.

At the present time, the only standing committees are the Audit Committee and the Compensation Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule "B" to this Circular. As the Company grows, and its operations and management structure became more complex, the Board expects it will constitute formal standing committees, such as a Corporate Governance Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

OTHERS MATTERS TO BE ACTED UPON

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative audited annual financial statements to February 28, 2023 and 2022 a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company by email at bennett@firstphosphate.com

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the Board.

DATED at Toronto, Ontario, July 25, 2023.

BY ORDER OF THE BOARD

/s/ Bennett Kurtz

Bennett Kurtz
Chief Administrative Officer, Corporate Secretary, and Director

SCHEDULE "A"

FIRST PHOSPHATE CORP.

OMNIBUS EQUITY INCENTIVE PLAN

FIRST PHOSPHATE CORP.**OMNIBUS EQUITY INCENTIVE PLAN****ARTICLE ONE DEFINITIONS AND INTERPRETATION**

Section 1.01 **Definitions** For purposes of this Omnibus Equity Incentive Plan, unless such capitalized word or term is otherwise defined herein or the context in which such capitalized word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings.

- (a) **"Acceleration Event"** has the meaning given to such term in Section 3.10 hereof;
- (b) **"Account"** means a notional account maintained for each Participant on the books of the Company which will be credited with RSUs in accordance with the terms of this Plan;
- (c) **"Award"** means any of an Option or RSU granted pursuant to, or otherwise governed by, the Plan;
- (d) **"Award Agreement"** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement or a RSU Agreement;
- (e) **"Blackout Period"** means a period of time during which:
 - (i) the trading guidelines of the Company, as amended or replaced from time to time, restrict one or more Participants from trading in securities of the Company; or
 - (ii) the Company has determined that one or more Participants may not trade any securities of the Company;
- (f) **"Blackout Period Expiry Date"** means the date on which a Blackout Period expires;
- (g) **"Business Day"** means a day on which the Stock Exchange is open for trading;
- (h) **"Committee"** means the Directors or, if the Directors so determine in accordance with Section 2.04 hereof, the committee of the Directors authorized to administer this Plan;
- (i) **"Common Shares"** means the common shares of the Company, as adjusted in accordance with the provisions of Article Six hereof from time to time;
- (j) **"Company"** means First Phosphate Corp., a corporation existing under the *Business Corporations Act* (British Columbia), and any successor corporation thereof;
- (k) **"Consultant"** means an individual (other than an employee, executive officer or director of the Corporation or a Subsidiary) or company that: (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a distribution; (b) provides the services under a written contract between the Corporation or the Subsidiary and the individual or company, as the case may be; (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary; and (d) has a relationship with the Corporation or a Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (l) **"Designated Affiliates"** means the affiliates of the Company designated by the Committee for purposes of this Plan from time to time;
- (m) **"Designated Broker"** means a broker who is independent of, and deals at arm's length with, the Company and

its Designated Affiliates and is designated by the Company;

- (n) **"Directors"** means the directors of the Company from time to time;
- (o) **"Dividend Equivalent"** means additional RSUs credited to a Participant's Account as a dividend equivalent pursuant to Section 4.07;
- (p) **"Eligible Directors"** means, other than, in the case of a grant of RSUs, the Directors or the directors of any Subsidiaries or Designated Affiliate from time to time;
- (q) **"Eligible Employees"** means an Investor Relations Service Provider, any employees and officers, whether Directors or not, of the Company or any Designated Affiliate, provided that such employees and officers are individuals who are considered employees under the ITA;
- (r) **"Eligible Participant"** means any Eligible Director, Eligible Employee, Consultant of the Corporation or any of its Subsidiaries, or Investor Relations Service Provider;
- (s) **"Employment Contract"** means any contract between the Company or any Designated Affiliate and any Participant relating to, or entered into in connection with, the employment or departure of the Eligible Employee, the appointment, election or departure of the Eligible Director or the engagement of the Consultant or Investor Relations Service Provider or any other agreement to which the Company or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Company or the termination of employment, appointment, election or engagement of such Participant;
- (t) **"Exercise Price"** has the meaning given to such term in Section 3.04 hereof;
- (u) **"Insider"** has the meaning set out in the Securities Act;
- (v) **"Investor Relations Activities"** has the meaning given to such term in the policies of the Stock Exchange;
- (w) **"Investor Relations Service Provider"** a Person retained to perform Investor Relations Activities on behalf of the Corporation, a Subsidiary, or Designated Affiliate;
- (x) **"ITA"** means the *Income Tax Act* (Canada), together with the regulations thereto, each as amended from time to time;
- (y) **"Market Value of a Common Share"** means, with respect to any particular date as of which the Market Value of a Common Share is required to be determined, (a) if the Common Shares are then listed on the Stock Exchange, the closing price of the Shares on the Stock Exchange on the last Trading Day prior to such particular date; or (b) if the Common Shares are not then listed on any stock exchange, the value as is determined solely by the Committee, acting reasonably and in good faith, and such determination shall be conclusive and binding on all persons;
- (z) **"Option"** means an option to purchase Common Shares granted pursuant to, or governed by, this Plan;
- (aa) **"Optionee"** means a Participant to whom an Option has been granted pursuant to this Plan;
- (bb) **"Option Period"** means the period of time during which the particular Option may be exercised, including as extended in accordance with Section 3.05 hereof;
- (cc) **"Participant"** means each Eligible Participant that is granted one or more Awards under this Plan;
- (dd) **"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 similar extended meaning;

- (ee) "**Plan**" means this amended and restated omnibus equity incentive plan as amended from time to time;
- (ff) "**Prior Option Plan**" has the meaning given to such term in Section 2.07(e) hereof;
- (gg) "**Redemption Date**" has the meaning ascribed thereto in Section 4.05(a) hereof;
- (hh) "**Related Person**" has the meaning given to such term in the policies of the Stock Exchange;
- (ii) "**Restriction Period**" means, with respect to a particular grant of RSUs, the period between the date of grant of such RSUs and the latest Vesting Date in respect of any portion of such RSUs;
- (jj) "**RSU**" means a restricted share unit, which is a right awarded to an Eligible Participant to receive cash, Common Shares or any combination of cash and Common Shares, as determined by the Company in its sole discretion, pursuant to, and governed by, this Plan;
- (kk) "**RSU Agreement**" means a written agreement between the Company and a Participant evidencing the grant of RSUs and the terms and conditions thereof;
- (ll) "**RSU Outside Expiry Date**" has the meaning ascribed thereto in Section 4.05(d) hereof;
- (mm) "**Securities Act**" means the Securities Act, R.S.O. 1990, c. S.5, or any successor legislation;
- (nn) "**Stock Exchange**" means the Canadian Securities Exchange or, if the Common Shares are not then listed on the Canadian Securities Exchange, such other principal market on which the Common Shares are then traded as designated by the Committee from time to time;
- (oo) "**Subsidiary**" means a corporation, company or partnership that is controlled, directly or indirectly, by the Corporation;
- (pp) "**Termination**" has the meaning given to such term in Section 3.12 hereof;
- (qq) "**Trading Day**" means any day on which the Stock Exchange is open for trading;
- (rr) "**U.S. Securities Act**" has the meaning given to such term in Section 5.02 hereof; and
- (ss) "**Vesting Date**" has the meaning ascribed thereto in Section 4.04 hereof.

Section 1.02 **Headings**. The headings of all articles, sections, paragraphs and subparagraphs in this Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Plan.

Section 1.03 **Context, Construction**. Whenever the singular or masculine are used in this Plan the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires. The word "person" shall be given the widest meaning possible and shall include, without limitation, an individual, a corporation, a partnership, a limited partnership or any other unincorporated entity.

Section 1.04 **References to this Plan**. The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Plan as a whole and not to any particular article, section, paragraph, subparagraph or other part hereof.

Section 1.05 **Canadian Funds**. Unless otherwise specifically provided, all references to dollar amounts in this Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THIS PLAN

Section 2.01 **Purpose of this Plan.** This Plan provides for the potential acquisition of Common Shares by Participants for the purpose of advancing the interests of the Company through the motivation, attraction and retention of key employees, directors and consultants of the Company and the Designated Affiliates and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by key employees, directors and consultants of the Company and the Designated Affiliates, it being generally recognized that share incentive plans can aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company.

Section 2.02 **Participants.** This Plan is hereby established for Eligible Participants.

Section 2.03 **Administration of this Plan.** This Plan shall be administered by the Committee and the Committee shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Committee may deem necessary or desirable in order to comply with the requirements of this Plan, subject in all cases to compliance with regulatory requirements. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company and its Designated Affiliates. This Plan shall be administered in accordance with the rules and policies of the Stock Exchange by the Committee so long as the Common Shares are listed on the Stock Exchange.

Section 2.04 **Delegation to Committee.** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors.

Section 2.05 **Record Keeping.** The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Common Shares subject to Awards granted to each Participant; and
- (c) the aggregate number of Common Shares subject to Awards.

Section 2.06 **Determination of Participants.** The Committee shall from time to time determine the Participants who may participate in this Plan. The Committee shall from time to time determine the Participants to whom Awards shall be granted, the number of Common Shares to be made subject to, and the expiry date of, each Award granted to each Participant and the other terms, including any vesting provisions, of each Award granted to each Participant, all such determinations to be made in accordance with the terms and conditions of this Plan, and the Committee may take into consideration the present and potential contributions of, and the services rendered by, the particular Participant to the success of the Company and any other factors which the Committee deems appropriate and relevant. All Eligible Employees, Consultant and Investor Relations Service Provider shall be bona fide Eligible Employees, Consultant or Investor Relations Service Provider, as the case may be.

Section 2.07 Maximum Number of Shares.

- (a) The maximum number of Common Shares reserved for issuance that are issuable pursuant to the new grants of Awards shall be determined from time to time by the Committee but, in any case, shall not exceed, in the aggregate, 20% of the total number of issued and outstanding Common Shares as at the date of any Option grant, unless disinterested shareholder approval is received in accordance with the policies of the Stock Exchange;
- (b) The maximum aggregate number of Common Shares reserved for issuance pursuant to the settlement of RSUs shall not exceed 20% of the issued and outstanding Common Shares at the time of grant pursuant to awards granted under the Plan, unless disinterested shareholder approval is received in accordance with the policies of the Stock Exchange.
- (c) The maximum aggregate number of Common Shares reserved for issuance pursuant to Awards granted under this Plan in any 12-month period must not exceed 20% of the number of Common Shares then outstanding, calculated as at the date any Award is granted or issued to a Participant, unless disinterested shareholder approval is received in accordance with the policies of the Stock Exchange.
- (d) The maximum number of Common Shares reserved for issuance pursuant to all Awards granted or issued under this Plan in any 12-month period to Participants who are Insiders of the Company (as a group) must not exceed 15% of the issued and outstanding Common Shares, calculated as at the date any Award is granted or issued to any Insider, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (e) The maximum number of Common Shares reserved for issuance pursuant to all Awards granted or issued under this Plan in any 12-month period to Participants who are non-Insider Employees and Consultants of the Company (as a group) must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date any Award is granted or issued to any non-Insider Employee and Consultant, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (f) The maximum aggregate number of Common Shares reserved for issuance pursuant to Awards granted to any one Participant in any 12-month period must not exceed 5% of the number of Common Shares then outstanding, calculated as at the date of Award is granted or issued to any Participant on the date of adoption of this Plan, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (g) The maximum aggregate number of Common Shares reserved for issuance pursuant to Options granted to all Investor Relations Service Providers conducting Investor Relations Activities in any 12-month period must not exceed, in the aggregate, 2% of the issued and outstanding Common Shares, calculated as at the date any Option is granted to any such Investor Relations Service Provider. Options granted to all Participants performing Investor Relations Activities shall vest in stages over a 12-month period, with no more than $\frac{1}{4}$ of the Options vesting in any three-month period. For greater certainty, Investor Relations Service Provider is not entitled to receive any Awards or any other type of security based compensation other than Options. The Directors shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Company by all Participants performing Investor Relations Activities. No acceleration of the vesting provisions of Options granted to Investor Relations Service Provider is allowed without the prior acceptance of the Stock Exchange.

For purposes of this Section 2.07, "the number of Common Shares then outstanding" shall mean the number of Common Shares outstanding on a non-diluted basis calculated at the date of the proposed grant of the applicable Award. All Common Shares reserved for issue upon the exercise of options outstanding under the previous stock option plan and restricted share unit award plan approved by the shareholders of the Company on August 25, 2022 (the "**Prior Incentive Plans**"), shall be counted toward the maximum number of Common Shares permitted to be reserved for issue pursuant to any of the provisions of this Section 2.07.

ARTICLE THREE

OPTION AWARDS

Section 3.01 **Nature of Options.** An Option is an option granted by the Company to an Eligible Participant entitling such Participant to acquire a designated number of Common Shares from treasury at the Exercise Price, but subject to the provisions hereof. For greater certainty, the Company is obligated to issue and deliver the designated number of Common Shares on the exercise of an Option and shall have no independent discretion to settle an Option in cash or other property other than Common Shares issued from treasury. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

Section 3.02 **Option Awards.** Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Committee shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participant who may receive Options under the Plan, (b) 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, (c) subject to Section 3.04, determine the price per Common Share to be payable upon the exercise of each such Option, (d) determine the relevant vesting provisions (including performance criteria, if applicable) and (e) determine the term of the Options, the whole subject to the terms and conditions prescribed in this Plan or in any stock option agreement, and any applicable rules of the Stock Exchange.

Section 3.03 **Option Notice or Agreement.** Each Option granted to a Participant may be evidenced by a stock option notice or stock option agreement setting out terms and conditions consistent with the provisions of this Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

Section 3.04 **Exercise Price.** The price per Common Share (the "**Exercise Price**") at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that the Exercise Price shall be not less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of the grant of such Option less the maximum discount, if any, permitted by the Stock Exchange or, if the Common Shares are not then listed on any stock exchange, the Exercise Price shall not be less than the fair market value of the Common Shares as may be determined by the Directors on the day immediately preceding the date of the grant of such Option. Disinterested shareholder approval shall be required for any reduction in the Exercise Price of any Option if the Optionee is an Insider of the Company at the time of the proposed amendment to the Exercise Price.

Section 3.05 **Term of Option.** The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to amendment by an Employment Contract, provided that in no event shall an Option Period exceed ten (10) years. Notwithstanding the definition of Option Period contained herein or the foregoing, the expiration date of an Option will be the date fixed by the Directors with respect to such Option unless such expiration date falls within a Blackout Period or within ten days after a Blackout Period Expiry Date, in which case the expiration date of the Option will be the date which is ten (10) Business Days after the Blackout Period Expiry Date. Disinterested shareholder approval shall be required for the extension of any Option Period if the Optionee is an Insider of the Company at the time of the proposed amendment to the Option Period.

Section 3.06 **Lapsed Options.** If Options granted under this Plan (or stock options granted under the Prior Option Plan) are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options (or such lapsed stock options).

Section 3.07 **Limit on Options to be Exercised.** Except as otherwise specifically provided herein or in any Employment Contract, Options may be exercised by the Optionee in whole at any time, or in part from time to time (in each case to the nearest full Common Share), during the Option Period only in accordance with the vesting schedule, if any, determined by the Committee, in its sole and absolute discretion, subject to the applicable requirements of the Stock Exchange, at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option. If the Committee does not determine a vesting

schedule at the time of the grant of any particular Option, such Option shall be exercisable in whole at any time, or in part from time to time, during the Option Period, subject to the applicable requirements of the Stock Exchange.

Section 3.08 **Eligible Participants on Exercise.** An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 3.11 or Section 3.12 hereof or in any Employment Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Company or a Designated Affiliate or in the employment of the Company or a Designated Affiliate and has been continuously an officer or so employed since the date of the grant of such Option, provided however that a leave of absence with the approval of the Company or such Designated Affiliate shall not be considered an interruption of employment for purposes of this Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Company or a Designated Affiliate and has been such a director continuously since the date of the grant of such Option; and
- (c) in the case of a Consultant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Company or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

Section 3.09 **Payment of Exercise Price.** The issue of Common Shares on the exercise of any Option shall be contingent upon receipt by the Company of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office of the Company together with a completed notice of exercise, together with any tax amounts required under Section 5.01. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of this Plan. Subject to Section 6.11 hereof, upon an Optionee exercising an Option and paying the Company the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Company shall as soon as practicable thereafter issue and deliver a certificate representing the Common Shares so purchased.

Section 3.10 **Acceleration on Take-over Bid, Consolidation, Merger, etc.** In the event that:

- (a) the Company seeks or intends to seek approval from the shareholders of the Company for a transaction which, if completed, would constitute an Acceleration Event (as defined below); or
- (b) a person makes a bona fide offer or proposal to the Company or the shareholders of the Company which, if accepted or completed, would constitute an Acceleration Event,

the Company shall send notice to all Optionees of such transaction, offer or proposal as soon as practicable and, provided that the Committee has determined that no adjustment will be made pursuant to Section 6.06 hereof, (i) the Committee may, by resolution and notwithstanding any vesting schedule applicable to any Option or Section 3.07 hereof, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option) and prior to such transaction, offer or proposal, so that the Optionee may participate in such transaction, offer or proposal, and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise.

In this 3.10 an "**Acceleration Event**" means:

- (a) the acquisition by any person of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Company, by means of a take-over bid or otherwise;
- (b) any consolidation, merger, statutory amalgamation or arrangement involving the Company and pursuant to which the Company will not be the continuing or surviving corporation or pursuant to which the Common

Shares will be converted into cash or securities or property of another entity, other than a transaction involving the Company and in which the shareholders of the Company immediately prior to the completion of the transaction will have the same proportionate ownership of the surviving corporation immediately after the completion of the transaction;

- (c) a separation of the business of the Company into two or more entities;
- (d) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity; or
- (e) the approval by the shareholders of the Company of any plan of liquidation or dissolution of the Company.

Section 3.11 **Effect of Death.** If a Participant or, in the case of a Consultant and Investor Relations Service Provider which is not an individual, the primary individual providing services to the Company or Designated Affiliate on behalf of the Consultant and Investor Relations Service Provider, shall die, any outstanding Option held by such Participant at the date of such death shall become immediately exercisable notwithstanding Section 3.07 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of 12 months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is earlier, and then only to the extent that such Optionee was entitled to exercise the Option at the date of the death of such Optionee in accordance with Sections 3.07, 3.08 and 3.12 hereof.

Section 3.12 **Effect of Termination of Engagement.** If a Participant shall:

- (a) cease to be a Director or a director of a Designated Affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Company or the Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Company or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Company or any Designated Affiliate of the termination of their Employment Contract;

(the earliest to occur of any of the foregoing events being referred to herein as a "**Termination**"), except as otherwise provided in any Employment Contract, such Participant may, but only within the 90 days next succeeding such Termination (or, subject to the limitations set forth below, such other period of time as may be determined by the Directors), exercise the Options to the extent that such Participant was entitled to exercise such Options at the date of such Termination. Notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period or one year from the date of Termination.

ARTICLE FOUR

RESTRICTED SHARE UNIT AWARDS

Section 4.01 **Nature of RSUs.** An RSU is an Award that is a bonus for services rendered in the year of grant, that, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Common Share or, at the sole discretion of the Committee, a Common Share, and subject to such restrictions and conditions on vesting as the Committee may determine at the time of grant, unless such RSU expires prior to being settled. Restrictions and conditions on vesting may, without limitation, be based on the passage of time during continued employment or other service relationship, the achievement of specified performance criteria or both.

Section 4.02 **RSU Awards**

- (a) Subject to the provisions herein and any shareholder or regulatory approval which may be required, the Committee shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participant who may receive RSUs under the Plan, (b) 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, (c) determine the relevant conditions, vesting provisions and the Restriction Period of such RSUs, and (d) determine 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, in any RSU Agreement, and any applicable rules of the Stock Exchange.

- (b) Subject to the vesting and other conditions and provisions in this Plan, including Section 2.07, all RSUs granted herein shall vest in accordance with the terms of the RSU Agreement entered into in respect of such RSUs.
- (c) Subject to the vesting and other conditions and provisions in this Plan and in the applicable RSU Agreement, each RSU awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Common Share, or, at the discretion of the Committee, one Common Share or any combination of cash and Common Shares as the Committee in its sole discretion may determine, in each case less any applicable withholding taxes. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Common Shares in respect of any RSU, and, notwithstanding any discretion exercised by the Committee to settle any RSU, or a portion thereof, in the form of Common Shares, the Committee reserves the right to change such form of payment at any time until payment is actually made.

Section 4.03 **RSU Agreements**

- (a) The grant of a RSU by the Committee shall be evidenced by a RSU Agreement in such form not inconsistent with the Plan as the Committee may from time to time determine. Such RSU Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Committee from time to time) which are not inconsistent with this Plan and which the Committee deems appropriate for inclusion in a RSU Agreement. The provisions of the various RSU Agreements issued under this Plan need not be identical.
- (b) The RSU Agreement shall contain such terms that the Company considers necessary in order that the RSUs granted to Participants, shall not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA, by reason of the exemption in paragraph (k) thereof or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the Company.

Section 4.04 **Vesting of RSUs.** The Committee shall have sole discretion to (a) determine if any vesting conditions with respect to a RSU, including any performance criteria or other vesting conditions contained in the applicable RSU Agreement, have been met, (b) waive the vesting conditions applicable to RSUs (or deem them to be satisfied), and (c) extend the Restriction Period with respect to any grant of RSUs, provided that any such extension shall not result in the Restriction Period for such RSUs extending beyond the RSU Outside Expiry Date. The Company shall communicate to a Participant, as soon as reasonably practicable, the date on which all such applicable vesting conditions in respect of a grant of RSUs to the Participant have been satisfied, waived or deemed satisfied and such RSUs have vested (the "**Vesting Date**"). For the greater certainty, no Awards issued pursuant to the Plan (other than Options) may vest before the date that is one year following the date of issuance or grant.

Section 4.05 **Redemption / Settlement of RSUs**

- (a) Subject to the provisions of this Section 4.05 and Section 4.06, a Participant's vested RSUs shall be redeemed in consideration for a cash payment on the date (the "**Redemption Date**") that is the earliest of (a) the 15th day following the applicable Vesting Date for such vested RSUs (or, if such day is not a Business Day, on the immediately following Business Day), and (b) the RSU Outside Expiry Date.
- (b) Subject to the provisions of this Section 4.05 and Section 4.06, during the period between the Vesting Date

and the Redemption Date in respect of a Participant's vested RSUs, the Company (or any Designated Affiliate that is party to an Employment Contract with the Participant whose vested RSUs are to be redeemed) shall, at its sole discretion, be entitled to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the Participant's vested RSUs either (a) by the issuance of Common Shares to the Participant (or the legal representative of the Participant, if applicable) on the Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Common Shares in the open market, which Common Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit.

- (c) Settlement of a Participant's vested RSUs shall take place on the Redemption Date as follows:
- (i) where the Company (or applicable Designated Affiliate) has elected to settle all or a portion of the Participant's vested RSUs in Common Shares issued from treasury:
 - (A) in the case of Common Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal representative of the Participant, if applicable) representing the aggregate number of Common Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 5.01; or
 - (B) in the case of Common Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Common Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 5.01, which Common Shares shall 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 Common Shares;
 - (ii) where the Company or a Designated Affiliate has elected to settle all or a portion of the Participant's vested RSUs in Common Shares purchased in the open market, by delivery by the Company or a Designated Affiliate of which the Participant is a director, executive officer, employee or consultant to the Designated Broker of readily available funds in an amount equal to the Market Value of a Common Share as of the Redemption Date multiplied by the number of vested RSUs to be settled in Common Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 5.01, along with directions instructing the Designated Broker to use such funds to purchase Common Shares in the open market for the benefit of the Participant and to be evidenced by a confirmation from the Designated Broker of such purchase;
 - (iii) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's RSUs that the Company or a Designated Affiliate has elected to settle in Common Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 5.01, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Company or a Designated Affiliate of which the Participant is a director, executive officer, employee or consultant, in cash, by cheque or by such other payment method as the Company and Participant may agree; and
 - (iv) where the Company or a Designated Affiliate has elected to settle a portion, but not all, of the Participant's vested RSUs in Common Shares, the Participant shall be deemed to have instructed the Company or Designated Affiliate, as applicable, to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required in accordance with Section 5.01 and to remit such withheld amount to the applicable taxation authorities on account of any withholding tax obligations, and the Company or Designated Affiliate, as applicable, shall deliver any remaining cash payable, after making any such

remittance, to the Participant (or to the legal representative of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion payable to settle a Participant's RSUs in the foregoing circumstances is not sufficient to satisfy the withholding obligations of the Company or a Designated Affiliate pursuant to Section 5.01, the Company or Designated Affiliate, as applicable, shall be entitled to satisfy any remaining withholding obligation by any other mechanism as may be required or determined by the Company or Designated Affiliate as appropriate.

- (d) Notwithstanding any other provision in this Article Four, no payment, whether in cash or in Common Shares, shall be made in respect of the settlement of any RSUs later than December 15th of the third (3rd) calendar year following the end of the calendar year in respect of which such RSU is granted (the "**RSU Outside Expiry Date**").

Section 4.06 **Determination of Amounts**

- (a) The cash payment obligation arising in respect of the redemption and settlement of a vested RSU pursuant to Section 4.05 shall be equal to the Market Value of a Common Share as of the applicable Redemption Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's vested RSUs shall, subject to any adjustments in accordance with Section 6.07 and any withholding required pursuant to Section 5.01, be equal to the Market Value of a Common Share as of the Redemption Date for such vested RSUs multiplied by the number of vested RSUs in the Participant's Account at the commencement of the Redemption Date (after deducting any such vested RSUs in the Participant's Account in respect of which the Company (or applicable Designated Affiliate) makes an election under Section 4.05(b) to settle such vested RSUs in Common Shares).
- (b) If the Company (or applicable Designated Affiliate) elects in accordance with Section 4.05(b) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's vested RSUs by the issuance of Common Shares, the Company shall, subject to any adjustments in accordance with Section 6.07 and any withholding required pursuant to Section 5.01, issue to the Participant (or the legal representative of the Participant, if applicable), for each vested RSU which the Company (or applicable Designated Affiliate) elects to settle in Common Shares, one Common Share. Where, as a result of any adjustment in accordance with Section 6.07 and/or any withholding required pursuant to Section 5.01, the aggregate number of Common Shares to be received by a Participant upon an election by the Company (or applicable Designated Affiliate) to settle all or a portion of the Participant's vested RSUs in Common Shares includes a fractional Common Share, the aggregate number of Common Shares to be received by the Participant shall be rounded down to the nearest whole number of Common Shares.

Section 4.07 **Award of Dividend Equivalents**

- (a) Dividend Equivalents may, as determined by the Committee in its sole discretion, be awarded as a bonus for services rendered in the year awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Common Shares as if the Participant was a shareholder of record of Common Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional RSUs, the number of which shall be equal to a fraction where the numerator is the product of (a) the number of RSUs in such Participant's Account on the date that dividends are paid multiplied by (b) the dividend paid per Common Share and the denominator of which is the Market Value of a Common Share calculated as of the date that dividends are paid. Any additional RSUs credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting, Restriction Periods and expiry) as the RSUs in respect of which such additional RSUs are credited.
- (b) 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.
- (c) Notwithstanding the foregoing, the aggregate number of RSUs to be credited in respect of the payment of a

Dividend Equivalent must not, together with all outstanding Awards, exceed the Plan maximum set out in Section 2.07. The issuance of any RSUs under this Section 4.07 that, together with all outstanding Awards, exceed the Plan maximum set out in Section 2.7 shall be satisfied by the payment of cash to the Participant by the Company.

Section 4.08 **Effect of Death.** If a Participant shall die, any unvested RSUs in the Participant's Account as at the date of such death relating to a Restriction Period in progress shall become immediately forfeited and cancelled. For greater certainty, where a Participant's employment or service relationship with the Company or a Designated Affiliate is terminated as a result of death 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. Notwithstanding the foregoing, if the Committee, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested RSUs, the date of such action is the Vesting Date. All vested RSUs shall continue to be subject to the Plan and exercisable for a period of 12 months following the Termination (as defined herein), provided that any RSUs that have not been exercised within 12 months after the Termination (as defined herein) shall automatically and immediately expire and be forfeited on such date.

Section 4.09 **Effect of Termination of Engagement.** If a Participant shall:

- (a) cease to be a Director or of a Designated Affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Company or the Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Company or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Company or any Designated Affiliate of the termination of their Employment Contract;

(the earliest to occur of any of the foregoing events being referred to herein as a "**Termination**"), 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 that relate to such Participant's unvested RSUs shall be forfeited and cancelled, within a reasonable period, not exceeding 12 months, following the Termination Date. Notwithstanding the foregoing, if the Committee, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested RSUs, the date of such action is the Vesting Date.

ARTICLE FIVE

WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 5.01 **Withholding Taxes.** The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Award or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise or settlement, as applicable, of any Award, until such time as the Participant has paid the Company or any Designated Affiliate for any amount which the Company or the Designated Affiliate is required to withhold with respect to such taxes.

Section 5.02 **Securities Laws of the United States of America.** Neither the Awards which may be granted pursuant to this Plan nor the Common Shares which may be issued pursuant to the exercise or settlement, as applicable, of any Awards have been registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Award in a transaction which is subject to the U.S. Securities Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Award and/or any Common Shares as principal and for the account of the Participant;

- (b) in granting the Award and/or issuing the Common Shares to the Participant, the Company is relying on the representations and warranties of the Participant to support the conclusion of the Company that the granting of the Award and/or the issue of Common Shares do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Common Shares so issued may be required to have the following legend:

"THE SECURITIES REPRESENTED HEREBY AND ANY SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY (WHICH WILL BE DELIVERED PROMPTLY AND WILL NOT BE UNREASONABLY WITHHELD, BUT WHICH MAY BE CONDITIONAL ON DELIVERY OF A LEGAL OPINION IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY), PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE COMPANY IN CONNECTION WITH A SALE OF THE SECURITIES REPRESENTED HEREBY AT A TIME WHEN THE COMPANY IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE COMPANY, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and provided that the Company is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act at the time of such sale, such legend may be removed by providing a written declaration signed by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (A) represents and warrants that the sale of the securities of First Phosphate Corp. (the "**Company**") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an affiliate of the Company as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside of the United States, or the undersigned and any person acting on its behalf reasonably believe that the buyer was outside the United States or (B) the transaction was executed on or through the facilities of a Designated Offshore Securities Market and neither the undersigned nor any person acting on behalf thereof knows or has any reason to believe that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer; and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the

registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

- (d) other than as contemplated by Section 5.02(c) hereof, prior to making any disposition of any Common Shares acquired pursuant to this Plan which might be subject to the requirements of the U.S. Securities Act, the Participant shall give written notice to the Company describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Company to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by Section 5.02(c) hereof, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to this Plan or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Company that such disposition would not constitute a violation of the U.S. Securities Act and then will only dispose of such Common Shares in the manner so proposed;
- (f) the Company may place a notation on the records of the Company to the effect that none of the Common Shares acquired by the Participant pursuant to this Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to this Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by Section 5.02(c) hereof.

ARTICLE SIX

GENERAL

Section 6.01 **Effective Time of this Plan.** This Plan shall become effective upon a date to be determined by the Directors, subject to disinterested shareholder approval of the Company.

Section 6.02 **Amendment of Plan.** The Committee shall have the right:

- (a) without the approval of the shareholders of the Company, subject to Section 6.02(b) of the Plan, to make any amendments to the Plan, including but not limited to the following amendments:
 - (i) any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correcting grammatical or typographical errors and amending the definitions contained within the Plan;
 - (ii) any amendment to comply with the rules, policies, instruments and notices of any regulatory authority to which the Company is subject, including the Stock Exchange, or to otherwise comply with any applicable law or regulation;
 - (iii) other than changes to the expiration date and the exercise price of any Award as described in Section 6.02(b)(iii) and Section 6.02(b)(iv) of this Plan, any amendment, with the consent of the Participant, to the terms of any Award previously granted to such Participant under the Plan;
 - (iv) any amendment to the provisions concerning the effect of the termination of a Participant's position, employment or services on such Participant's status under the Plan;

- (v) any amendment to the categories of persons who are Participants; and
 - (vi) any amendment respecting the administration or implementation of the Plan;
- (b) with the approval of the shareholders of the Company by ordinary resolution, including if required by the applicable Stock Exchange, disinterested shareholder approval, to make any amendment to the Plan not contemplated by Section 6.02(a) of the Plan, including, but not limited to:
- (i) any change to the number of Common Shares issuable from treasury under the Plan, including an increase to the fixed maximum percentage or number of Common Shares or a change from a fixed maximum percentage of Common Shares to a fixed maximum number of Common Shares or vice versa, other than an adjustment pursuant to Section 6.07 of the Plan;
 - (ii) any amendment which reduces the exercise price of any Award, other than an adjustment pursuant to Section 6.07 of the Plan; provided, however, that, for greater certainty, disinterested shareholder approval will be required for any amendment which reduces the exercise price of any Option if the Participant is an Insider of the Corporation at the time of the proposed amendment;
 - (iii) any amendment which extends the expiry date of an Award, or the Restriction Period of any RSU beyond the original expiry date or Restriction Period, except in the event of an extension due to a Blackout Period;
 - (iv) any amendment which cancels any Award and replaces such Award with an Award which has a lower exercise price or other entitlement, other than an adjustment pursuant to Section 6.07 of the Plan,
 - (v) any amendment which would permit Awards to be transferred or assigned by any Participant other than as allowed by Section 6.03 of the Plan, and
 - (vi) any amendments to this Section 6.02 of the Plan.

Notwithstanding the foregoing, any amendment to the Plan shall be subject to the receipt of all required regulatory approvals including, without limitation, the approval of the Stock Exchange.

Section 6.03 **Non-Assignable.** No rights under this Plan and no Award awarded pursuant to this Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 6.04 **Rights as a Shareholder.** No Participant shall have any rights as a shareholder of the Company with respect to any Common Shares which are the subject of an Award. Except as otherwise provided in this Plan, no Participant shall be entitled to receive any dividends, distributions or other rights declared for shareholders of the Company for which the record date is prior to the date of issue of certificates representing Common Shares acquired upon the exercise or settlement, as applicable, of any Awards.

Section 6.05 **No Contract of Employment.** Nothing contained in this Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Company or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of this Plan by a Participant shall be voluntary.

Section 6.06 **Consolidation, Merger, etc.** If there is a consolidation, merger or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity, upon the exercise or settlement, as applicable, of an Award under this Plan the holder thereof shall be entitled to receive the securities, property or cash which the holder

would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had been the holder of Common Shares immediately prior to the effective time of such event, unless the Committee otherwise determines 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 event.

Section 6.07 **Adjustment in Number of Common Shares Subject to the Plan.** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under this Plan;
- (b) the number of Common Shares subject to any Award;
- (c) the exercise price of the Common Shares subject to Awards; and
- (d) the number of Common Shares or cash payment to which the Participant is entitled upon exercise or settlement of such Award.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Plan.

Section 6.08 **Securities Exchange Take-over Bid.** In the event that the Company becomes the subject of a take-over bid (within the meaning of the Securities Act) as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Participants requiring them to surrender their Awards within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Awards on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement awards to the Participants on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement awards have substantially the same economic value as the Awards being surrendered; and
- (c) the surrender of Awards and the granting of replacement awards can be effected on a tax free rollover basis or otherwise without adverse tax consequences under the ITA.

Section 6.09 **No Representation or Warranty.** The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Plan.

Section 6.10 **Compliance with Applicable Law.** If any provision of this Plan or any Award contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction over the securities of the Company, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 6.11 **Necessary Approvals.** The obligation of the Company to issue and deliver any Common Shares in accordance with this Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Company. If any Common Shares cannot be issued to any Participant upon the exercise or settlement, as applicable, of an Award for whatever reason, the obligation of the Company to issue such Common Shares shall terminate and any exercise price paid to the Company in respect of the exercise or settlement, as applicable, of such Award shall be returned to the Participant.

Section 6.12 **Conflict.** To the extent there is any inconsistency or ambiguity between this Plan and any Employment Contract, the terms of such Employment Contract shall govern to the extent of such inconsistency or

ambiguity, subject only to compliance with applicable law and Stock Exchange policy.

Section 6.13 **Interpretation.** This Plan shall be governed by, and be construed in accordance with, the laws of the Province of Ontario.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

Membership of the Audit Committee

- (a) The Committee shall be comprised of at least three directors, all of whom shall meet the independence requirements set forth in National Instrument 52-110 – *Audit Committee*.
- (b) The Committee shall have the power to appoint its chairman, who shall be an independent director.

Meetings

- (a) At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote.
- (b) A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the board.
- (c) Meetings of the Committee should be scheduled to take place at least four times per year. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chairman.
- (d) The Committee shall meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
- (e) Minutes of all meetings of the Committee shall be taken.
- (f) The Committee shall forthwith report the results of the meetings and review undertaken and any associated recommendations to the Board.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
 - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
 - (ii) the auditor's report, if any, prepared in relation to those financial statements,
- (b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the board of directors:

- (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,
- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109.

Composition of the Committee

The committee will be composed of three directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and

the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

SCHEDULE "C"

EXISTING STOCK OPTION PLAN

FIRST PHOSPHATE CORP.

STOCK OPTION PLAN

All terms not defined therein shall have the meaning given to them in the Management Information Circular of First Phosphate Corp posted on SEDAR as of July 28, 2022.

1. Purpose

The purpose of the Stock Option Plan (the “**Plan**”) of First Phosphate Corp., a Company incorporated under the *Business Corporations Act* (British Columbia) (the “**Company**”) is to advance the interests of the Company by encouraging the directors, officers, employees and consultants (including consultants engaging in Investor Relations Activities as such term is defined in the policies of the Canadian Securities Exchange), of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Company (the “**Shares**”), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

2. Administration

The Plan shall be administered by the Board of Directors of the Company or by a special committee (such as the Compensation Committee), of the directors appointed from time to time by the Board of Directors of the Company pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Company, is hereinafter referred to as the “**Board**”).

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

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Company and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. Compliance with Applicable Laws

This Plan and all options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Company are then listed and any other regulatory body having jurisdiction (hereinafter collectively referred to as, the “**Exchange**”). If any provision of the Plan or any stock option contravenes any law or any rule, order, policy, by-law or regulation of the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

4. Shares Subject to Plan

Subject to adjustment as provided in Section 16 hereof, the Shares to be offered under the Plan shall consist of common shares of the Company's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 20% of the issued and outstanding common shares of the Company as at the date of the plan's implementation, which will be the date of the Meeting. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. Maintenance of Sufficient Capital

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

6. Eligibility and Participation

Directors, officers, consultants (including consultants engaging in Investor Relations Activities as such term is defined in the policies of the Canadian Securities Exchange), and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Company or Management Company Employees, the option agreements to which they are party must contain a representation of the Company that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Company or its subsidiaries.

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

7. Exercise Price

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted.

- (b) In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (c) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Company (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if so reduced in compliance with the rules of the Exchange.

8. Number of Optioned Shares

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Company in any twelve-month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve-month period to any one consultant of the Company (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve month period to persons employed to provide investor relation activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3 month period.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange.

10. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Company or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole

or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.

- (d) The exercise price of an option may not be set at a price less than the closing market price of the Company's shares on the trading day immediately preceding the date of grant of the option less a maximum discount of 25%.
- (e) Options may be exercisable for a period of up to 10 years and, in the case of consultants who are engaged in Investor Relations Activities will vest as to 25% on each of the date of grant and three, six, and nine months after the date of grant.
- (f) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Company or any of its subsidiaries, or a Management Company Employee of the Company or any of its subsidiaries.
- (g) The exercise of any option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Company unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

11. Ceasing To Be a Director, Officer, Consultant or Employee

If a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise such Participant's option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within one year after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Company or of any of its subsidiaries or affiliates.

12. Death of Participant

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. Rights of Optionee

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

14. Proceeds from Sale of Shares

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

15. Disinterested shareholder approval

The Company will obtain disinterested shareholder approval if a stock option plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in the number of shares reserved for issuance under stock options granted to Insiders exceeding 20% of the issued shares; or the grant is to Insiders, of the number of options exceeding 20% as of the date of the Plans implementation, or the issuance is to any one Optionee or its associates, within a 12 month period, of a number of shares exceeding 5% of the issued shares; or if the Company is decreasing the exercise price of stock options previously granted to Insiders.

16. Adjustments

If the outstanding common shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another Company or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

17. Take Over

On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable.

18. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein

or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

19. Amendment and Termination of Plan

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

20. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Company and any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Shares shall terminate and any option exercise price paid to the Company will be returned to the Participant.

21. Effective Date of Plan

The effective date of the Plan shall be the date of the meeting of shareholder of the Company, being August 25, 2022, or if such meeting is delayed then the next annual general and special meetings of shareholders. The Plan shall become effective upon such approvals being obtained.

22. Interpretation

The Plan will be governed by and construed in accordance with the laws of British Columbia.

SCHEDULE "D"
EXISTING RSU PLAN

SCHEDULE "A"
FIRST PHOSPHATE CORP.

RESTRICTED SHARE UNIT AWARD PLAN

ARTICLE 1
PURPOSE OF THIS PLAN

1.1 Purpose of this Plan

The purpose of this Plan is to promote the interests and long-term success of the Company by:

- (a) furnishing certain directors, officers, Consultants, and employees of the Company or its Affiliates with greater incentive to develop and promote the business and financial success of the Company;
- (b) aligning the interests of persons to whom Restricted Awards may be granted with those of the shareholders of the Company generally through a proprietary ownership interest in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its directors, officers, and employees.

The Company believes that these purposes may best be effected by granting Restricted Awards and affording such persons an opportunity to acquire a proprietary interest in the Company.

ARTICLE 2
DEFINITIONS

2.1 Definitions

In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) **"Affiliate"** means an affiliate as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) **"Applicable Withholding Taxes"** means all taxes and other source deductions or other amounts which the Company or an Affiliate of the Company is or may be required by law to withhold in respect of the Plan or in respect of a Restricted Award, including in respect of the issuance transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder;
- (c) **"Associate"** means an associate as defined in the Securities Act;
- (d) **"Award Agreement"** means any written agreement, contract or other instrument or document evidencing any Restricted Award granted under this Plan. Each Award Agreement shall be subject to the applicable terms and conditions of this Plan and any other terms and conditions (not inconsistent with this Plan) determined by the Compensation Committee;
- (e) **"Blackout Period"** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company;
- (f) **"Board"** means the board of directors of the Company as constituted from time to time;

- (g) **“Change in Control”** means:
- (i) any merger or amalgamation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction;
 - (ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(t)(iii) and other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities;
 - (iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;
 - (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company;
 - (v) a complete liquidation or dissolution of the Company; or
 - (vi) any transaction or series of transactions involving the Company or any of its Affiliates that the Board in its discretion deems to be a Change in Control;
- provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results from:
- (i) the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;
 - (ii) a transaction or series of transactions involving the Company or any of its Affiliates whereby the holders of the voting securities of the Company continue to hold voting securities in the capital of the surviving or successor entity in substantially the same proportion as such holders held voting securities in the Company immediately prior to the commencement of such transaction or series of transactions; or
 - (iii) a reverse take-over of the Company, so long as more than one-half of the members of the Board immediately prior to the reverse take-over constitute more than one-half of the members of the board of directors of the other company involved in the reverse take-over of the Company following the reverse take-over.
- (h) **“Compensation Committee”** means the Compensation Committee of the Board or such other committee of the Board to which the Board has delegated responsibility for administration of the Plan or, if the Board has not made such delegation, “Compensation Committee” shall mean the Board;
- (i) **“Consultant”** means a person or company, other than an employee, executive officer

or director of the Company, that: (i) is engaged to provide services to the Company, other than services provided in relation to a distribution of securities or services provided in relation to Investor Relations Activities; (ii) provides the services under a written agreement with the Company; and (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company, and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (j) “**Company**” means First Phosphate Corp. and any successor corporation and any reference herein to action by the Company means action by or under the authority of its Board or a duly empowered committee appointed by the Board;
- (k) “**Eligible Person**” means director, officer, employee or Consultant of the Company or its Affiliates, excluding individuals or Consultants engaging in Investor Relations Activities;
- (l) “**Exchange**” means the Canadian Stock Exchange, TSX Venture Exchange or such stock exchanges or other organized markets on which the Shares are listed or posted for trading;
- (m) “**Insider**” in relation to the Company means:
 - (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or
 - (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all Outstanding Shares.
- (n) “**Investor Relations Activities**” has the meaning ascribed thereto in Canadian Stock Exchange policies;
- (o) “**Merger and Acquisition Transaction**” means:
 - (i) any merger;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
 - (v) any arrangement or other scheme of reorganization; that results in a Change in Control;
- (p) “**Outstanding Shares**” at the time of any issuance of Shares means the number of Shares that are outstanding immediately prior to the issue of the Shares in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange;
- (q) “**Participant**” means an Eligible Person designated to be granted a Restricted Award under this Plan;

- (r) **“Permitted Assign”** in respect of a Participant means:
- (i) an executor or administrator for the estate of the Participant upon the death of the Participant, or
 - (ii) a committee or duly appointed attorney of the Participant, upon the Participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs.
- (s) **“Plan”** means this restricted share unit award plan, as the same may from time to time be supplemented or amended and in effect;
- (t) **“Related Group of Persons”** in respect of a person means:
- (i) the person together with any one or more of the person’s Associates or Affiliates; and
 - (ii) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
 - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Company; or
 - (B) the exercise of voting rights attached to the securities of the Company beneficially owned by such persons, or over which such persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company;
 - (iii) despite the above Section 2.1(t)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer’s functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons; and
- (u) **“Restricted Award”** means restricted share unit award granted pursuant to Section 8.1, for which the form of Award Agreement is attached hereto as Schedule “A”;
- (v) **“Securities Act”** means the *Securities Act* (Ontario), as amended from time to time;
- (w) **“Shares”** means the common shares in the capital of the Company; and
- (x) **“Shareholder”** means a holder of Shares.

ARTICLE 3 EFFECTIVE DATE OF PLAN

3.1 This Plan became effective on August 25, 2022 (the **“Effective Date”**).

**ARTICLE 4
ADMINISTRATION OF PLAN**

- 4.1 The Board may at any time appoint a committee of the Board (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.
- 4.2 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.3 The Company will be responsible for all costs relating to the administration of the Plan.
- 4.4 Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Company and the rights of Participants under the Plan shall be general unsecured obligations of the Company.
- 4.5 The Company is authorized to take such steps as may be necessary to ensure all Applicable Withholding Taxes are withheld, deducted and remitted as required by law.

**ARTICLE 5
SHARES AVAILABLE FOR AWARDS**

- 5.1 Subject to adjustment as provided in Article 16 of this Plan, the maximum number of Shares that may be issuable pursuant to this Plan shall not exceed in the aggregate, that number of Shares which is equal to 20% of the issued and outstanding Shares of the Company at the Effective Date. It is anticipated that the number of authorized but unissued Shares available for issuance under the Plan on the Effective Date will be **21,098,718** Shares.
- 5.2 For purposes of Section 5.1 and subject to Section 5.3, the number of Shares covered by a Restricted Award or to which a Restricted Award relates shall be counted on the date of grant of such Restricted Award against the aggregate number of Shares available for granting Restricted Awards under this Plan.
- 5.3 If an outstanding Restricted Award for any reason expires or is terminated or cancelled without having been settled in full, the Shares shall only be available again for issuance under this Plan upon approval of the Exchange.
- 5.4 The Board will reserve for issuance from time to time out of the authorized but unissued Shares sufficient Shares to provide for issuance of all Shares which are issuable under all Restricted Awards.
- 5.5 Fractional Restricted Awards are permitted under this Plan.

**ARTICLE 6
GRANT OF AWARDS**

- 6.1 Subject to the provisions of this Plan, the Compensation Committee may from time to time grant to any Eligible Person one or more Restricted Awards as the Compensation Committee

deems appropriate.

- 6.2 The date on which a Restricted Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Restricted Award or such other future date as may be specified by the Compensation Committee at the time of such authorization (including, but not limited to, the date the Award Agreement is entered into pursuant to Section 6.4).
- 6.3 The number of Shares that may be issued under any Restricted Award will be determined by the Compensation Committee, provided that:
- (a) subject to Section 6.3(b), the number of Shares reserved for issuance to any one Participant pursuant to this Plan combined with all of the Company's other security based arrangements, including the Company's stock option plan, within any one year period shall not, in aggregate, exceed 5% of the total number of Outstanding Shares, or in the case of Consultants, 2% of the issued and outstanding Shares to each Consultant in any one year period, unless disinterested Shareholder approval is obtained for such issuances;
 - (b) the number of Shares reserved for issuance to any one Participant pursuant to this Plan within any one-year period shall not, in aggregate, exceed 1% of the total number of Outstanding Shares, unless disinterested Shareholder approval is obtained for such issuance;
 - (c) the maximum number of Shares which may be reserved for issuance to a Related Group of Persons, together with any other security based compensation agreements, may not exceed 10% of the issued Shares
 - (d) subject to Section 6.3(e), the number of Shares:
 - (i) issuable, at any time, to Participants that are Insiders; and
 - (ii) issued to Participants that are Insiders within any one-year period;pursuant to this Plan, or when combined with all of the Company's other security-based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Shares shall not, in aggregate, exceed 5% of the total number of Outstanding Shares;
 - (e) the number of Shares reserved for issuance to Participants that are Insiders pursuant to this Plan within any one year period shall not, in aggregate, exceed 2% of the total number of Outstanding Shares, unless disinterested Shareholder approval is obtained for such issuances,
- 6.4 Each Restricted Award will be evidenced by an Award Agreement which incorporates such terms and conditions (including all vesting conditions) as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Restricted Award is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other person as the Compensation Committee may designate for such purpose.
- 6.5 Restricted Awards granted pursuant to this Plan shall vest, and the corresponding Shares shall be issued, no later than December 15 of the third calendar year following the end of the Service

Year in respect of each such Restricted Award. For the purposes of this paragraph: (i) where a Restricted Award is granted within the first half of a calendar year, the “**Service Year**” in respect of such Restricted award shall be the immediately preceding year; and (ii) where a Restricted Award is granted within the second half of a calendar year, the “**Service Year**” in respect of such Restricted award shall be the year of grant.

ARTICLE 7 ELIGIBILITY

- 7.1 Any Eligible Person shall be eligible to be designated a Participant. The Company and a Participant shall confirm that any Eligible Person that is an employee is a *bona fide* employee of the Company or its Affiliates. In determining whether an Eligible Person shall receive a Restricted Award and the terms of any Restricted Award, the Compensation Committee may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Company, and such other factors as the Compensation Committee, in its discretion, shall deem relevant.

ARTICLE 8 RESTRICTED AWARD GRANTS

- 8.1 The Compensation Committee is hereby authorized to grant Restricted Awards to an Eligible Person subject to the terms of this Plan. Each vested, whole Restricted Award granted under this Plan shall be denominated or payable in Shares and shall confer on the holder thereof the right to receive one Share from treasury (subject to adjustment in accordance with this Plan), immediately upon the completion of certain conditions during such periods as the Compensation Committee shall establish. Subject to the terms of this Plan, the conditions to be completed during any period, the length of any period, the amount of any Restricted Award granted, the number of treasury Shares receivable pursuant to any Restricted Award and any other terms and conditions of the Restricted Award shall be determined by the Compensation Committee at the time of grant. A Restricted Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Compensation Committee shall determine.
- 8.2 Except as otherwise determined by the Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant’s employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions or conditions with respect to any such Award.

ARTICLE 9 GENERAL TERMS OF RESTRICTED AWARDS

- 9.1 Restricted Awards may be granted for no cash consideration.
- 9.2 Restricted Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to or in tandem with any award granted under any plan of the Company or any Affiliate. Restricted Awards granted in addition to or in tandem with awards granted under any such other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other awards.
- 9.3 All Shares delivered pursuant to a Restricted Award shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable, applicable Canadian provincial or foreign securities laws and regulatory requirements, applicable Exchange

policies and rules, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Shares to reflect such restrictions.

ARTICLE 10 CHANGE IN STATUS

- 10.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Restricted Award was granted to such Participant will not result in the termination of the Restricted Award granted to such Participant provided that such Participant remains an Eligible Person.

ARTICLE 11 NON-TRANSFERABILITY OF RESTRICTED AWARDS

- 11.1 Except in the case of death of the Participant, each Award Agreement will provide that the Restricted Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign.

ARTICLE 12 REPRESENTATIONS AND COVENANTS OF PARTICIPANTS

- 12.1 Each Award Agreement will contain representations and covenants of the Participant that:
- (a) the Participant is a director, officer employee or Consultant of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Company or its Affiliates; and
 - (c) the Participant is aware that the grant of the Restricted Award and the issuance by the Company of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws.

ARTICLE 13 WITHHOLDING TAX

- 13.1 Each Participant shall be responsible for all taxes in respect of the Plan and in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder. The Company makes no guarantee to any person regarding the tax consequences of becoming a Participant in the Plan and none of the Company, its Affiliates or any of their respective employees or representatives shall have any liability to any Participant with respect thereto. The Company shall be entitled to take all reasonable and necessary steps and to obtain all reasonable or necessary indemnities, assurances, payments or undertakings to satisfy any obligation to pay or withhold an amount on account of Applicable Withholding Taxes. Without limiting the generality of the foregoing, the Company may for such purposes withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Company to the Participant or may require that a Participant pay such amounts to the Company.
- 13.2 Participant will be solely responsible for paying any Applicable Withholding Taxes arising from the grant, vesting or issuance or payment of underlying Shares or cash of any Restricted Award and payment is to be made in a manner satisfactory to the Company. Notwithstanding the

foregoing, the Company will have the right to withhold from any Restricted Award or any Shares issuable pursuant to a Restricted Award or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any such taxes.

ARTICLE 14 CONDITIONS

- 14.1 Notwithstanding any provision in this Plan, other than pursuant to an Award Agreement, the Company's obligation to issue Shares to a Participant pursuant to the terms of any Restricted Award will be subject to, if applicable:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
 - (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

ARTICLE 15 SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

- 15.1 The Compensation Committee will have the right at any time and from time to time to suspend or terminate this Plan (including, without limitation, in the event that the termination of this Plan is required by the Exchange) and, subject to Section 15.2, may:
- (a) with the prior approval of the Exchange and disinterested Shareholders of the Company by ordinary resolution make any amendment to any Restricted Award Agreement or this Plan, including any amendment that would:
 - (i) increase the number of Shares, or rolling maximum, reserved for issuance under this Plan as set out in Section 5.1;
 - (ii) extend the term of a Restricted Award beyond its original expiry time;
 - (iii) result in any modification to this Section 15.1; or
 - (b) without the prior approval of Shareholders of the Company and without limiting the generality of the foregoing, the Compensation Committee may make any other amendments not listed in (a) above to any Award Agreement or this Plan, as follows:
 - (i) amendments of a clerical or housekeeping nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Exchange;
 - (iii) amendments to any vesting provisions of a Restricted Award, provided that such amendments shall not extend vesting beyond December 15 of the third calendar year following the end of the Service Year in respect of such Restricted Award; and
 - (iv) amendments to the expiration date of a Restricted Award that does not extend the term of a Restricted Award past the original date of expiration for such Restricted Award.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Award Agreement, including, but not limited to, the receipt of necessary approvals from disinterested Shareholders and the Exchange, if applicable, in connection with any renewals and amendments to this Plan.

- 15.2 In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to affect in a manner that is materially adverse to, or that materially impairs, the benefits and rights of any Participant under any Restricted Award previously granted under this Plan except: (a) with the consent of such Participant; (b) as permitted pursuant to Article 16; or (c) for the purpose of complying with the requirements of any regulatory authorities to which the Company is subject, including the Exchange.
- 15.3 The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Restricted Awards have been vested in full (including the issuance of any underlying Shares) or have otherwise expired.

ARTICLE 16 ADJUSTMENTS

- 16.1 In the event of any Share distribution, Share split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of the Company's assets to the Shareholders, or any other change affecting the Shares, the Restricted Awards of each Participant and the Restricted Awards outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Restricted Awards will be granted to such Participant to compensate for a downward fluctuation in the market price of the Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.
- 16.2 In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee shall determine in an appropriate and equitable manner:
- (a) any adjustment to the number and type of Shares (or other securities) that thereafter shall be made the subject of Restricted Awards; and
 - (b) the number and type of Shares (or other securities) subject to outstanding Restricted Awards; and
 - (c) determine the manner in which all unvested Restricted Awards granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Restricted Awards by the Participants, the time for the fulfillment of any conditions or restrictions on such vesting, and the time for the expiry of such Restricted Awards.

Subsections (a) through (c) of this Section 16.2 may be utilized independently of, successively with, or in combination with each other and Section 16.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Restricted Awards in any other manner. All determinations by the Compensation Committee under this Article 16 will be final, binding and conclusive for all purposes.

- 16.3 Notwithstanding anything else in this Plan, any unvested Restricted Awards issued to a Participant at the time of a Merger and Acquisition Transaction shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term

has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Company within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Shares (or other securities) resulting from a Merger and Acquisition Transaction is impractical or impossible. In the event this Section 16.3 is applicable, the Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of Restricted Awards.

- 16.4 The grant of any Restricted Awards under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

ARTICLE 17 GENERAL

- 17.1 Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a Shareholder of the Company with respect to any Shares reserved for the purpose of any Restricted Award.
- 17.2 Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant. The rights and obligations hereunder may be assigned by the Company to a successor in the business of the Company.
- 17.3 Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or its Affiliates or affect in any way the right of the Company or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or its Affiliates or any present or future retirement policy of the Company or its Affiliates, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or its Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of this Plan.
- 17.4 Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares, which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.
- 17.5 The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 17.6 References herein to any gender include all genders and to the plural includes the singular and vice versa. The division of this Plan into Sections and Articles and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.

FORM OF AWARD AGREEMENT

FIRST PHOSPHATE CORP.

(THE "COMPANY")

RESTRICTED SHARE UNIT AWARD PLAN

AWARD AGREEMENT

This award agreement (this "**Agreement**") is entered into between the Company and Participant named below pursuant to the Company's restricted share unit award plan (the "**Plan**"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

This Agreement confirms that:

1. on _____, 20____ (the "**Award Date**");
2. _____ (the "**Participant**");
3. was granted _____ Restricted Awards in respect of services rendered (or to be rendered) by the Participant to the Company or its Affiliates, each of which entitles the Participant to receive one Share upon vesting, provided the following conditions are met:

[conditions of vesting to be included at time of grant.]

4. the vesting of the Restricted Awards shall occur on the following schedule:

Date	Percentage Vested	Expiration Date

[Timing of vesting to be included at time of grant.]

5. [if the Company is listed on the Canadian Securities Exchange, must include: The Shares underlying the Restricted Awards shall bear the following legend:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES SHALL NOT TRADE THE SECURITIES BEFORE ▲, 202▲."]

6. The Company shall issue to the Participant all amounts receivable by the Participant and all Shares receivable by the Participant from treasury, pursuant to this Agreement;
7. by execution of this Agreement and acceptance of the Restricted Awards hereby granted, the Participant hereby represents and warrants to the Company that the Participant:
 - (a) is director, officer, employee or Consultant of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) has not been induced to enter into this Agreement by the expectation of employment or continued employment with the Company or its Affiliates;
 - (c) is aware that the grant of the Restricted Award and the issuance by the Company of

Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws;

8. without restricting the generality of Section 4.5 of the Plan, the Company is expressly authorized to withhold and remit all Applicable Withholding Taxes arising as a consequence of the issuance, transfer, amendment or vesting of a Restricted Award granted pursuant to this Agreement or the issuance of Shares thereunder, (the "**Applicable Withholding Taxes Amount**"), in any of the following ways or any combination thereof:
- (a) by requiring the Participant, as a precondition to the Company's obligation to issue Shares from treasury, to pay to the Company in cash the Applicable Withholding Taxes Amount, to be remitted by the Company to the appropriate government authorities for the Participant's account;
 - (b) by offset against any salary or other amounts otherwise due or to become due from the Company to the Participant and remitting such amounts to the appropriate government authorities for the Participant's account; and
 - (c) by selling, as the Participant's agent, sufficient of the Shares issued to the Participant in payment and settlement of the Restricted Awards to raise, net of commissions and other related expenses, cash in an amount not less than the Applicable Withholding Taxes Amount and remitting the Applicable Withholding Taxes Amount to the appropriate government authorities for the Participant's account, and the Participant hereby irrevocably appoints the Company as the Participant's agent to effect such sale or sales and receive the proceeds therefrom;

otherwise all on the terms and subject to the conditions and restrictions set out in the Plan.

By signing this Agreement, the Participant acknowledges that the Participant has read and understands the Plan and agrees to the terms and conditions of the Plan and this Agreement.

IN WITNESS HEREOF the parties hereto have executed this Agreement as of the _____ day of _____, 20____.

FIRST PHOSPHATE CORP.

By: _____
Participant

By: _____
Authorized Signator

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