

PROJECT ONE RESOURCES LTD.
(the "Company")

INCENTIVE STOCK OPTION PLAN
(the "Plan")

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors, senior officers, Employees, Consultants, Consultant Company or Management Company Employees (as such terms are defined below) of the Company and its subsidiaries, if any (collectively "**Eligible Persons**"), to be known as the "Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the Policies of the Exchange and approved by the Board.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Board**" means the Board of Directors of the Company.
- 2.2 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty per cent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.
- 2.3 "**Company**" means **Project One Resources Ltd.** and its successors.
- 2.4 "**Consultant**" means an individual (other than an employee or a director of the Company) or a company that is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company.
- 2.5 "**Consultant Company**" means a Consultant that is a company.
- 2.6 "**CSE Policies**" means the policies included in the Canadian Securities Exchange Corporate Finance Manual, and "CSE Policy" means any one of them.
- 2.7 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.8 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.

- 2.9 “**Employee**” means an individual who is considered an employee of the Company or its subsidiaries, if any, under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and similar deductions are made at source.
- 2.10 “**Exchanges**” means the Canadian Securities Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.11 “**Expiry Date**” means the date set by the Board under subsection 3.1 of the Plan as the last date on which an Option may be exercised.
- 2.12 “**Grant Date**” means the date specified in the Option Agreement as the date on which an Option is granted.
- 2.13 “**Insider**” means an “Insider” as defined in the British Columbia *Securities Act*.
- 2.14 “**Investor Relations Activities**” means “Investor Relations Activities” as defined in the CSE Policies.
- 2.15 “**Joint Actor**” means a person acting “jointly or in concert with” another person as that phrase is interpreted in section 96 of the *Securities Act*.
- 2.16 “**Management Company Employee**” means an individual employed by a person providing management services to the Company.
- 2.17 “**Market Price**” of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, “Market Price” of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.18 “**Option**” means an option to purchase Shares granted pursuant to this Plan.
- 2.19 “**Option Agreement**” means an agreement, in the form attached hereto as Schedule “A” whereby the Company grants an Option to an Optionee.
- 2.20 “**Optionee**” means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.21 “**Option Price**” means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.22 “**Option Shares**” means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.23 “**Plan**” means this Stock Option Plan.
- 2.24 “**Shares**” means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, “Shares” shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.

- 2.25 “**Securities Act**” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.26 “**Unissued Option Shares**” means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.27 “**Vested**” means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons of the Company and its subsidiaries, if any. The Option Price under each Option shall be not less than the Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date, **provided that** in the case of any Option granted under the Plan which would otherwise expire during a period during which the Optionee was prohibited from trading in the Company’s securities (a “Blackout Period”), the term of any such Option shall be extended such that any such Option shall expire at the close of business on the tenth trading day subsequent to the date the Blackout Period has been terminated. Options shall not be assignable (or transferable) by the Optionee.

3.2 Limits on Shares Issuable on Exercise of Options

The maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company’s issued and outstanding share capital from time to time. The number of Shares reserved for issuance under the Plan and all of the Company’s other previously established or proposed share compensation arrangements:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis; and
- (b) to any one Optionee within a 12 month period shall not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis.

The number of Shares which may be issuable under the Plan and all of the Company’s other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to all Insiders shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis;
- (b) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;
- (c) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- (d) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 1% in the aggregate of the total number of issued and outstanding Shares on the Grant Date

on a non-diluted basis, which Options are to be Vested in stages over a one-year period and no more than one-quarter (1/4) of such Options may be Vested in any three (3) month period.

3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, Consultants, Consultant Company or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with the Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to subsection 4.3, an Option shall be granted as Vested as follows:

- (a) fully Vested on the Grant Date; or
- (b) pursuant to such Vesting provisions as may otherwise be determined by the Board;

and may be exercised to purchase any number of Shares up to the number of Unissued Option Shares as follows:

- (a) at any time after the Grant Date if the Option is fully Vested on the Grant Date; or
- (b) after the date the Option becomes Vested as determined by the Board;

up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

4.2 Manner of Exercise

An Option shall be exercisable by the Optionee delivering to the Company the Option Exercise Form appended as Schedule "A" to the Option Agreement, specifying the number of Shares in respect of which the Option is being exercised together with payment in full of the Option Price for each such Share in cash or by way of a certified cheque or money order (which payment must include the amount of any income taxes and any Canada Pension Plan deductions due on the taxable employment benefit deemed to be received by the Optionee through such exercise). Upon such delivery and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cash, certified cheque or money order to the Company in the amount of the Option Price (plus applicable income taxes and any required Canada Pension Plan deductions) shall constitute payment of the Option Price.

4.3 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date.

(b) Termination For Cause

If the Optionee, or in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged, any outstanding Option held by such Optionee on the date of such termination shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the (i) the Expiry Date and (ii) the date which is 90 days (30 days if the Optionee was engaged in providing Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

4.4 Effect of a Take-Over Bid

If a *bona fide* offer (an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act*, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon the Option Shares subject to such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be

reinstated as if it had not been exercised. If any Option Shares are returned to the Company under this subsection 4.4, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.5 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan to be Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days and not more than 35 days' notice is required.

4.6 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option may be exercised in whole or in part by the Optionee.

4.7 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, by the cancellation of the right to purchase Option Shares under the Option Agreement shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.8 Shares Not Acquired or Exercised

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired, and any Option Shares acquired by an Optionee under an Option when exercised, may be made the subject of a further Option granted pursuant to the provisions of the Plan.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "Share Reorganization") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date;
 - and

- (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subparagraph (a)(ii).

5.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:

- (a) shares of the Company, other than the Shares;
- (b) evidence of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board of Directors of the Company has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a “Special Distribution”), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in subsections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company’s undertaking and assets become the property of another corporation;

(any such event being herein called a “Corporate Reorganization”), the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he or she would have been entitled to receive as a result of the Corporate Reorganization if, on the

effective date thereof, he or she had been the holder of all Unissued Option Shares or, if appropriate, as otherwise determined by the Directors.

5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Professional Accountants in Vancouver, British Columbia that the Directors may designate and who will have access to all appropriate records, and such determination will be binding upon the Company and all Optionees.

5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of subsection 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

6. MISCELLANEOUS

6.1 Right to Employment

Neither the Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

6.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under the Plan prior to such approval shall only be exercised upon the receipt of such approval and approval of the Exchange, if required.

The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchange and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

6.3 Administration of the Plan

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in subsection 5.4, the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

6.4 Income Taxes

As a condition of and prior to participation in the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts

required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

6.5 Amendments to the Plan

The Directors may from time to time, subject to applicable law and to the prior approval, if required, of the Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders of the Company.

6.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

6.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of the Exchanges or of any regulatory body having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.9 No Assignment

No Optionee may assign any of his or her rights under the Plan or any Option granted thereunder.

6.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

6.11 Conflict

In the event of any conflict between the provisions of the Plan and an Option Agreement, the provisions of the Plan shall govern.

6.12 Governing Law

The Plan and each Option Agreement executed pursuant to the Plan shall be governed by the laws of the Province of British Columbia.

6.13 Time of Essence

Time is of the essence of the Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

6.14 Entire Agreement

The Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

Approved by the Board of Directors on _____, 2018.

PROJECT ONE RESOURCES LTD.

Per: _____
Director

SCHEDULE "A"

**PROJECT ONE RESOURCES LTD.
INCENTIVE STOCK OPTION PLAN
OPTION AGREEMENT**

OPTION EXERCISE FORM

This Option Agreement is entered into between **Project One Resources Ltd.** (the "Company") and the Optionee named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ♦ ♦, ♦ (the "Grant Date");
2. ♦ (the "Optionee");
3. was granted the option (the "Option") to purchase ♦ Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of \$♦ per share;
5. which shall be exercisable as fully Vested from the Grant Date;

**** OR ****

which shall be vested with the Optionee with the right to exercise the Option as follows:

- (a) 50% of the Optioned Shares will vest and may be exercised effective ♦; and
 - (b) the remaining 50% of the Optioned Shares shall vest and may be exercised effective ♦;
6. terminating on the ♦ ♦, ♦ (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, once Option Shares have been granted, they continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

Collection of Personal Information. The Optionee acknowledges and consents to the fact that the Company is collecting the Optionee's personal information for the purpose of filing this Option Agreement. The Optionee further acknowledges and consents to the fact that the Company may be required by the applicable Securities Laws to provide the Securities Regulatory Authorities with any personal information provided by the Optionee, according to the requirements of the applicable Securities Laws.

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

By signing this Option Agreement, the Optionee also acknowledges that, if required by the Canada Revenue Agency, the Optionee will be required to provide the Company with the following payments:

- (a) a payment for the number of Option Shares being exercised at the Option Price;
- (b) a payment equal to the income taxes due on the net stock option benefit, which amount is comprised of the full taxable employment benefit, less the 50% stock option benefit deduction to which the Optionee may be entitled; and

- (c) a payment equal to the Canada Pension Plan contribution due in respect of the full taxable employment benefit (without taking into consideration the 50% deduction) to be received by the Optionee through such exercise, notwithstanding that the Optionee may have already contributed the maximum amount of Canada Pension Plan contributions for the calendar year in which all or any portion of the Option is exercised, unless the Optionee provides the Company with a copy of the Election to stop paying into the Canada Pension Plan that has been filed with the Canada Revenue Agency, or the Optionee is over the age of 69.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ♦ day of ♦, ♦.

PROJECT ONE RESOURCES LTD.

OPTIONEE

Per:

Authorized Signatory

SCHEDULE "A"

OPTION EXERCISE FORM

TO: **Project One Resources Ltd.**
Attention: President

The undersigned hereby exercises the right to purchase and subscribe for _____
Optioned Shares at the purchase price of \$♦ per Optioned Share, payment for which is submitted with
this Option Exercise Form.

TOTAL EXERCISE PRICE: _____

The undersigned hereby directs that the Optioned Shares hereby acquired by this Option Exercise Form
be issued and delivered as follows:

NAME IN FULL:

ADDRESS IN FULL:

NUMBER OF OPTIONED SHARES:

DATED: _____

(Signature of Option Holder)