



PRIME DRINK GROUP CORP.

INFORMATION CIRCULAR

OF

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 15TH, 2023 AT 11:00 AM (EST)

JULY 11th, 2023

1000 Sherbrooke West, 27th Floor
Montreal, Québec H3A 3G4

PRIME DRINK GROUP CORP.
(the “Corporation”)

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at July 11th, 2023 unless indicated otherwise)

In this Information Circular, references to the “Corporation”, “we” and “our” refer to Prime Drink Group Corp. “Common Shares” means common shares in the capital of the Corporation and “Shareholders” means the holders of Common Shares. “Registered Shareholders” means Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares. “Non-Registered Shareholders” means Shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

SOLICITATION OF PROXIES

The management of the Corporation solicits proxies to be used at the annual general and special meeting of Shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set forth in the attached Notice of Meeting and at any adjournment thereof. The cost of this solicitation will be borne by the Corporation. Accordingly, the management of the Corporation has drafted this management information circular (the “Circular”) that it is sending to all the security holders entitled to receive a Notice of Meeting.

If you cannot attend the Meeting in person, complete and return the enclosed form of proxy to the Registrar and Transfer Agent of the Corporation, Computershare Investor Services Inc. (“**Computershare**”), 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and Holidays) before the time fixed for the Meeting.

Only Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. Shareholders who attend the Meeting virtually will not be able to vote at the Meeting. Non-Registered Shareholders who have not duly appointed themselves as proxyholder will not be able to vote or ask questions at the Meeting but will be able to participate as a “guest”.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. We have arranged to send the Notice of Meeting and the Circular (collectively, the “**Meeting Materials**”) directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners).

We have arranged for Intermediaries to forward the Meeting Materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners) under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer and we may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

APPOINTMENT OF PROXYHOLDER AND RIGHT OF REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A shareholder has the right to appoint as his or her proxy a person, who need not be a shareholder,**

other than those whose names are printed on the accompanying form of proxy. A Shareholder wishing to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person’s name in the blank space provided in the form of proxy and signing the form of proxy or by completing and signing another proper form of proxy.

A Shareholder may revoke a proxy at any time by an instrument in writing executed by him or, if the Shareholder is a Corporation, under its corporate seal or by an officer or attorney thereof duly authorized in writing, and filed at the offices of Computershare, at the same address and within the same delays as mentioned above, or two business days preceding the date the Meeting resumes if it is adjourned, or remitted to the chairman of such Meeting on the day of the Meeting or any adjournment thereof.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf. If you are a Non-Registered Shareholder, see section “Non-Registered Shareholders” below for further information on how to vote your Common Shares.

EXERCISE OF DISCRETION BY PROXIES

The management undertakes to respect the holder’s instructions.

In the absence of any indication, the agent will exercise the right to vote in favour of each question defined on the form of proxy, in the Notice of Meeting or in the Circular.

Unless otherwise specified herein, all resolutions will be adopted by a simple majority of the votes represented at the Meeting.

Management does not know and cannot foresee as at the present time any amendments or new points to be brought before the Meeting. If such amendments or new points were to be brought before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in the way they consider advisable.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital stock of the Corporation consists of an unlimited number of common shares (“**Common Shares**”) without par value. As at July 11th, 2023, there were 144,177,462 Common Shares issued and outstanding. Each Common Share confers upon its holder the right to one vote.

The board of directors of the Corporation (the “**Board**”) fixed the close of business on July 11th, 2023 as the record date (the “**Record Date**”) for determining which shareholders shall be entitled to receive notice of the Meeting, but failure to receive such notice does not deprive a shareholder of his right to vote at the Meeting.

As of the Record Date, to the knowledge of the Corporation’s directors and executive officers, no person beneficially owns, controls or directs, directly or indirectly, 10% or more of the number of the issued and outstanding Common Shares other those below:

Name of Shareholder	Number of Shares Held⁽¹⁾	Percentage of Outstanding Shares⁽²⁾
Germain Turpin	28,014,621 ⁽³⁾	19.41%
9474-8431 Quebec Inc. ⁽⁴⁾	37,500,000	26.03%

Notes:

(1) Based on information provided by or in public filings made by the above entity and as of the date of the last public filings of or information provided by such holder.

(2) Based on 144,177,462 shares issued and outstanding as of the Record Date.

- (3) Of which 11,418,588 shares are held via Ranch Turpin Inc., a private entity owned and controlled by Mr. Turpin.
- (4) A private entity owned and controlled by Mr. Olivier Primeau and by Mr. Raimondo Messina.

NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person are not registered in his or her name but are held in the name of an intermediary, which is usually a security broker, a trust corporation or other financial institutions, or in the name of a clearing agency (such as the CDS Clearing and Depository Services Inc.) of which the intermediary is a participant. In accordance with National Instrument 54-101 of the Canadian Securities Administrators (the “CSA”) – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Meeting Materials to the intermediaries which are required to forward the Meeting Materials to non-registered holders unless the non-registered holders have waived the right to receive them. Intermediaries very often call on service companies to forward the Meeting Materials to non-registered holders. **Each intermediary has its own signing and return instructions, which a Non-Registered Shareholder should follow carefully to ensure that his or her shares are voted.** The form of proxy supplied to a Non-Registered Shareholder by its broker is similar to the form of proxy provided by the Corporation to the Registered Shareholder. However, its purpose is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder.

Should a Non-Registered Shareholder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should print his or her own name, or that of such other person, on the voting instruction form and return it to the intermediary or its service corporation. Should a Non-Registered Shareholder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons set out in the proxy form and insert the name of the Non-Registered Shareholder or such other person in the blank space provided and submit it to Computershare at the address set out above.

A non-registered holder may revoke voting instructions which have been given to an intermediary at any time by written notice to the intermediary.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

At the date of this Circular, to the best of its knowledge and except as disclosed this Circular, management of the Corporation is not aware of any director or executive officer, present or nominated hereunder, or any associate or affiliate of such persons, who, since the beginning of the Corporation’s last financial year, has an interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation.

MATTERS FOR CONSIDERATION

1. Presentation of Financial Statements

The audited financial statements of the Corporation for the financial year ended December 31, 2022 and the independent auditor’s report thereon will be presented before the Meeting. The audited financial statements have been mailed to shareholders who have informed the Corporation that they wish to receive a copy of such documents. No vote will be taken on the audited financial statements. These financial statements were filed on SEDAR at www.sedar.com. Additional copies of the financial statements may be obtained from the Corporation on request.

2. Election of Directors

The business of the Corporation is currently managed by a Board consisting of six (6) directors. The shareholders will be called upon to elect six (6) directors to serve for the ensuing year, subject to the power of the Board to appoint additional directors between annual meetings, until the next annual meeting of shareholders or until their respective successors are duly elected or appointed, unless their respective office is earlier vacated in accordance with the By-laws of the Corporation. At the Meeting, the persons named hereunder will be proposed for election as directors of the Corporation for the forthcoming year. You can vote for or against all of these proposed directors, vote for some of them and against for others, or against for all of them.

Unless such authority is withheld, the persons designated in the enclosed form of proxy will vote FOR the election of each of the persons named hereunder as directors of the Corporation.

This proposal requires the approval of a majority of the votes cast by the holders of Common Shares entitled to vote in person or represented by proxy at the Meeting. Management does not contemplate that any nominee will be unable or unwilling to serve as a director.

The following table sets forth certain information concerning the persons nominated for election as directors of the Corporation, including the office presently held in the Corporation, their principal occupation and the number of Common Shares over which they exercise control.

Name, Residence and Office Held	Director Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Alexandre Côté ⁽²⁾ Brossard, QC Director	December 21 st , 2020	Managing Director of Hybrid Financial Ltd.	1,425,500 (0.99%)
Dominique Primeau Sainte-Martine, QC Proposed Director	-	Businessman	0 (0%)
Germain Turpin Lac Simon, QC Director	December 18 th , 2019	Director and President-Water Division of the Corporation	28,014,621 (19.41%)
Michael Pesner ⁽²⁾ Montreal, QC Director	March 1 st , 2021	President of Hermitage Canada Finance, Inc., Executive Vice-President of NOVIPRO, Inc. and CPA	343,000 (0.24%)
Raimondo Messina ⁽²⁾ Laval, QC Director	November 18 th , 2022	President and CEO of Dream Hospitality Group, Inc. and CPA	18,750,000 (13%)
Robert Dunn Montreal, QC Director	December 18 th , 2019	Vice-Chairman of the Board of Directors, Officer and Vice-President of HUB International Quebec Ltd	2,776,333 (1.93%)

Notes:

- (1) Each nominee as director supplied the information concerning the number of Common Shares over which he exercises control or direction.
- (2) Member of the Audit Committee.

Biographical notes:

Dominique Primeau, Proposed Director

Mr. Dominique Primeau is a businessman involved in several sectors of economic activity. From taking over the management of the family grocery store in 1990, he built, over the decades, a consortium for the

next generation. From his extensive experience as an operator in the food sector, Dominique will be an asset to the Board of Directors.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the best of the Corporation's knowledge, after having made due inquiry, the Corporation confirms that no proposed director of the Corporation:

- (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while that person was acting in that capacity:
 - (i) was subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (ii) was subject to an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, nor has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

Mr. Michael Pesner was a director of Quest Rare Minerals Ltd. and on January 31, 2017, the *Autorité des marchés financiers* issued a management cease trade order related to non-compliance in certain respects with National Instruments 51-102 and 43-101 which cease trade order was revoked on March 14, 2017. Quest Rare Minerals Ltd. filed a notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada). On March 2, 2018, the court approved the Proposal dated January 3, 2018, as amended on January 11, 2018 which was accepted at the meeting of creditors held on January 24, 2018.

On January 11, 2021, Le Chateau Inc., a company of which Mr. Pesner was a member of the Board of Directors, received a failure-to-file cease trade order for delay in the filing of unaudited interim financial statements and management's discussion and analysis for the three and nine month periods ending October 31, 2020. Le Chateau Inc, on October 23, 2020, filed an application under the *Companies' Creditors Arrangement Act* (Canada). On December 17, 2020, the Court rendered an order appointing PricewaterhouseCoopers Inc. as receiver to a limited number of Le Chateau's assets. On June 25, 2021, Mr. Pesner resigned as a director of Le Chateau Inc. On September 2, 2021, 2175371 Canada Inc., formerly Le Chateau Inc., filed an assignment in bankruptcy and PricewaterhouseCoopers Inc. was appointed trustee.

Mr. Pesner was a director of Liquid Nutrition Inc. and resigned from the board of directors on June 5, 2015. On June 12, 2015, June 24, 2015 and September 23, 2015, the Securities Commissions of the Provinces of Alberta, Ontario and British Columbia issued cease trade orders against Liquid Nutrition Inc. for default of filing its financial statements and management's discussion and analysis for the interim period ended March 31, 2015.

3. Appointment of Auditors

MNP LLP, chartered professional accountants ("MNP"), acted as auditors of the Corporation since 2017 and was lastly appointed the auditors of the Corporation at the annual meeting of the Corporation dated November 18, 2022. At the Meeting, the shareholders of the Corporation are being asked to approve the re-appointment of MNP as the auditors of the Corporation until the close of the next annual meeting of the shareholders at a remuneration to be fixed by the Board of the Corporation.

This proposal requires the approval of a majority of the votes cast by the holders of Common Shares present, in person or represented by proxy, at the Meeting.

Unless such authority is withheld, the persons designated in the enclosed form of proxy will vote FOR the appointment of MNP as auditors of the Corporation, for the current financial year and the authorization to the directors to establish the auditors' compensation.

STATEMENT OF EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6V – Statement of Executive Compensation – Venture Issuers of *Regulation 51-102 respecting Continuous Disclosure Obligations*.

For the purposes of this Circular, "Named Executive Officers" ("NEO") of the Corporation means, at any time during the most recently completed financial year, the following persons:

- a) the Chief Executive Officer ("CEO");
- b) the Chief Financial Officer ("CFO");
- c) the most highly compensated executive officer, other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- d) each individual who would be a named executive officer under (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the most recently completed financial year.

Compensation Program Objectives and Purpose

The executive compensation policy of the Corporation is designed to offer competitive compensation enabling the Corporation to attract and retain qualified, high-calibre staff. It will seek to motivate executive officers to exceed strategic objectives so as to maximize the long-term return on shareholders' investment.

The objectives of the Corporation's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Corporation's continued success;

- to align the interests of the Corporation’s executives with the interests of the Corporation’s shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Corporation is a mining exploration corporation and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Corporation to be appropriate in the evaluation of the performance of the NEOs.

The purpose of the Corporation’s executive compensation program has been designed to reward executives for reinforcing the Corporation’s business objectives and values, for achieving the Corporation’s performance objectives and for their individual performances.

Components of Aggregate Compensation

The aggregate compensation of the NEO currently consists of one or more of the following elements:

- a) a base monetary compensation which is competitive; and
- b) option grants designed to attract experienced personnel and encourage them to promote the Corporation’s interests and activities to the best of their knowledge.

Base Compensation

The base cash compensation review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base compensation is not evaluated against a formal “peer group”. The Board relies on the general experience of its members in setting base compensation amounts.

Incentive compensation

Option grants are designed to attract and retain key personnel. Option grants to Beneficiaries are established by the Board of Directors on a continuous basis, based on the progress of the Corporation.

Summary Compensation Table

The following table details all compensation paid, made payable, awarded, granted, gave or otherwise provided for the two most recently completed financial years to all persons acting as NEO and directors of the Corporation for services provided or to be provided, directly or indirectly, to the Corporation or its subsidiaries. These amounts include the annual base salary and certain other forms of remuneration, the payment having been made or postponed.

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 (\$)
Alexandre Côté Director	2022	-	-	10,000	-	-	10,000
	2021	-	-	-	-	-	-
Andrew Lindzon ⁽¹⁾ Former President, CEO and director	2022	n/a	n/a	n/a	n/a	n/a	n/a
	2021	-	-	-	-	-	-
Germain Turpin ⁽²⁾ Director, Former President, CEO and CFO	2022	120,000	-	-	-	-	120,000
	2021	196,000	-	-	-	303,394	499,394
Jean Gosselin ⁽³⁾ CFO	2022	84,000	-	-	-	-	84,000
	2021	120,000	-	-	-	13,593	133,593
Michael Pesner Director	2022	-	-	10,000	-	-	10,000
	2021	-	-	-	-	-	-
Olivier Primeau ⁽⁴⁾ President, CEO and Director	2022	-	-	-	-	-	-
	2021	n/a	n/a	n/a	n/a	n/a	n/a
Raimondo Messina ⁽⁵⁾ Director	2022	-	-	-	-	-	-
	2021	n/a	n/a	n/a	n/a	n/a	n/a
Robert Dunn Director	2022	-	-	10,000	-	-	10,000
	2021	-	-	-	-	-	-

Notes:

- (1). Mr. Lindzon resigned as President and CEO of the Corporation on February 18th, 2021.
- (2). Mr. Turpin resigned as President, CEO and CFO of the Corporation as of September 19th 2022. He remains a director of the Corporation.
- (3). Mr. Gosselin was appointed CFO of the Corporation on November 25th, 2022. Prior to his appointment as CFO, he served as general manager of the Corporation since July 31st, 2020.
- (4). Mr. Primeau was appointed President, CEO and director of the Corporation on September 19th, 2022.
- (5). Mr. Messina was appointed director of the Corporation on November 18th, 2022.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to the Corporation's NEOs and directors by the Corporation or its subsidiaries during the most recently completed financial year ended December 31, 2022.

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Stock Option Plan and Other Incentive Plans

The Corporation has established a 10% "rolling" stock option plan which was approved by the shareholders dated April 7, 2020 and adopted on July 31st, 2020 under the Corporation's former name "Dominion Water

Reserves Corp.” (the “**Plan**”, attached as Schedule C to this Circular), under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Plan, determines the number of options granted to such individuals and determines the date on which each option is granted and the corresponding exercise price.

The number of shares so set aside for issuance to must not exceed, on a fully-diluted basis and within a 12-month period, 5% to an individual of the number of issued and outstanding shares of the Corporation, or 10% to the insiders collectively of the number of the issued and outstanding shares of the Corporation.

The total number of options granted to a consultant or to all persons providing investor relations services during a 12-month period shall not exceed 1% of the issued and outstanding shares of the Corporation. Options are not transferable. The exercise price of the option shall not be less than the market value of the Shares of the Corporation as of date of its issuance.

At the time of early retirement, resignation, termination or termination of a Beneficiary for any reason other than death or serious cause, the maturity date of an option held by the Beneficiary is deemed to be the maturity date indicated on the option holder’s option certificate or on a date that is 30 days after the termination of employment or the time at which the option holder ceased to hold a position or to hold office, whichever is earlier. In the case of a person providing investor relations services, the maturity date of an option held by such person is deemed to be the maturity date indicated on the Option Certificate or on a date falling 30 days after he ceased to hold office, whichever is earlier.

The Board makes these determinations subject to the provisions of the existing Plan and, where applicable, the policies of the Canadian Securities Exchange (the “**Exchange**”). Pursuant to the Plan, the Corporation may, from time to time, grant to eligible directors, officers, employees and consultants of the Corporation or of a management company employee, options to acquire common shares of the Corporation in such number, at such exercise prices, and for such terms as may be determined by the Board, subject to a limit of 10% of the total issued and outstanding Common Shares, from time to time. As of December 31, 2022, the Corporation have 8,228,066 stock option outstanding. During the financial year ended December 31, 2022, no stock option was exercised by a director or NEO of the Corporation.

Employment, Consulting and Management Agreements with the NEOs

As at the financial year ended December 31, 2022, the Corporation had a consulting agreement with Mr. Germain Turpin, director and former President and CEO of the Corporation (the “**Turpin Consulting Agreement**”). The Turpin Consulting Agreement had a term of two years which expired on May 31st, 2023. Under the Turpin Consulting Agreement, Mr. Germain Turpin was paid a monthly fee of \$10,000 CAD, with the possibility of a discretionary annual bonus, for devoting his time to serving as CEO of the Corporation and of its subsidiaries, with 4 weeks of paid vacations. Mr. Germain Turpin was also eligible to participate to the Plan. The Turpin Consulting Agreement provided for a payment of \$30,000 to Mr. Germain Turpin if termination occurred in connection with a change of control.

As at the financial year ended December 31, 2022 and as of the Record Date, the Corporation had a non-exclusive consulting agreement with Mr. Jean Gosselin, CFO of the Corporation (the “**Gosselin Consulting Agreement**”). Under the Gosselin Consulting Agreement, Mr. Jean Gosselin receives yearly fee of \$108,000, paid in monthly installments, for providing the Corporation an average of twelve days of consulting services per month, with 4 weeks of paid vacation. Mr. Jean Gosselin is also eligible to participate to the Plan. The Gosselin Consulting Agreement, which entered into effect on March 1st, 2020 for an initial term of twelve months, is automatically renewable every twelve months. The Corporation can terminate the renewal by written notice no later than sixty days before the end of the current twelve months period. The Gosselin Consulting Agreement provides for the possibility, at the option of the Corporation, of a payment in lieu of fair and reasonable notice in the event of termination without cause by the Corporation.

The Corporation does not have presently any other employment, consulting and management agreements.
Oversight and Description of Director and NEO Compensation

Executive Officers

The Board analyses all questions relating to human resources planning, compensation for executive officers, directors and other employees, short and long term incentive programs, employee benefits programs, and recommends the appointment of executive officers.

The compensation paid to executive officers has the following primary objectives:

- offer total compensation capable of attracting and retaining top level executive officers required to ensure the Corporation’s short and long term goals and success; and
- motivate the executive officers in achieving and exceeding the goals of the Corporation and of its shareholders.

Compensation and Risk Management

Considering the size of the Corporation, the Board has considered the implications of the risks associated with the Corporation’s compensation policy and practices and decided they are not material.

No executive officer or director of the Corporation is 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 executive officers or directors.

General

The compensation seeks to primary reward the superior performance through both individual and corporate results and the increased shareholder value. In reviewing executive officers compensation, the Board will take into consideration numerous factors that are not easily measurable but which consider the individual performance, experience, integrity, peer appreciation and Market comparators.

Directors

In general, the Board determines the number of options granted annually to the directors without applying any known or measurable objectives. Criteria such as the Corporation’s global performance are looked at in determining the number of options to be granted to the directors.

Pension Plan Benefits

The Corporation does not offer any pension plan that benefits to any of its NEOs, nor to the directors of the Corporation.

Equity Compensation Plan Information

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Option ⁽¹⁾	Weighted Average Exercise Price of Outstanding Options	Number of Common Shares Remaining Available for Future Issuance Under the Equity Compensation Plans ⁽¹⁾
Equity Compensation Plans of the Corporation approved by the shareholders	9,147,066	0.143	4,187,500

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Option ⁽¹⁾	Weighted Average Exercise Price of Outstanding Options	Number of Common Shares Remaining Available for Future Issuance Under the Equity Compensation Plans ⁽¹⁾
Equity Compensation Plans of the Corporation not approved by the shareholders	-	-	-
Total:	9,147,066	0.143	4,187,500

Note:

(1) As at December 31, 2022.

Indebtedness to the Corporation of Directors and Executive Officers

As at the date hereof, no amounts are owed to the Corporation by any director, executive officer, employees or any former director, executive officer or employee of the Corporation or any of its subsidiaries, or any proposed director of the Corporation or associate of the foregoing. During the year ended December 31, 2022, the Corporation did not grant any loan.

Interest of Informed Persons in Material Transactions

To the knowledge of the Corporation, no director, executive officer or proposed director, or any other insider of the Corporation or person associated or affiliated to said officials has any material interest, direct or indirect, in a transaction having been concluded since the beginning of the most recently completed financial year or in any proposed transaction that has or would affect in a material manner the Corporation.

Directors' and Officers' Liability Insurance

The Corporation subscribes to an insurance on behalf of its directors and officers to cover for potential liabilities incurred in connection with their services to the Corporation. The coverage is for \$2,000,000 per insurance period, with a cost of \$18,732 per year and a \$2,500 deductible.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Audit Committee has a formal charter, the text of which is attached to this Circular as Schedule A. The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee after careful consideration of *Regulation 52-110 respecting Audit Committees* (“**Regulation 52-110**”) of the CSA and other applicable policies.

Composition of Audit Committee

Name	Independent	Financially Literate
Alexandre Côté	Yes	Yes
Raimondo Messina	Yes	Yes
Michael Pesner (Chairman)	Yes	Yes

The Audit Committee is comprised of three directors, three of whom is independent under Regulation 52-110. All the members of the Committee are “financially literate” and have the ability to read and understand a set of financial statements.

Relevant Education and Experience

The education and experience of each Audit Committee member has enabled each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles used by the Corporation to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions as well as experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issued that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in Section 2.4 of Regulation 52-110 (*De Minimis Non-Audit Services*) or any exemption, in whole or in part, provided by Parts 6 and 8 of Regulation 52-110, other than the exemption granted to venture issuers under Section 6.1 of Regulation 52-110, which exempts issuers whose shares are listed only on the Venture from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

The Audit Committee approves the engagement terms for all audit and non-audit services to be provided by the Corporation's accountants before such services are provided to the Corporation.

The Corporation has not adopted any specific policies or procedures for the engagement of non-audit services other than the pre-approval by the Audit Committee.

External Auditor Service Fees

The fees charged to the Corporation by its external auditor in each of the last two fiscal years are as follows:

	2022	2021
Audit Fee ⁽¹⁾	\$93,000	\$78,000
Audit-Related Fees ⁽²⁾	\$5,865	-
Tax Fees ⁽³⁾	\$18,000	\$18,000
All Other Fees ⁽⁴⁾	\$9,858	\$6,720
Total	\$126,563	\$102,720

Notes:

- (1) Audit fees include fees for services related to the audit of the Corporation's financial statements or other services that are normally provided by the external auditors in connection with statutory or regulatory filings or engagements. These fees also include fees for comfort letters, statutory audits, attest services, consents and assistance with the preparation and review of documents filed with regulators, as well as in connection with the interpretation of accounting and financial reporting standards.
- (2) Audit-related fees include assurance and related services that are performed by the Corporation's external auditors. These services also include accounting consultations in connection with acquisitions and divestitures and internal control reviews.
- (3) Tax fees include fees for assistance with tax planning, during restructurings and when taking a tax position, as well as preparation and review of income and other tax returns and tax opinions.
- (4) Administrative fees.

MANAGEMENT CONTRACTS

The Corporation has not entered into any management contract during the most recently completed financial year and no prior agreement of similar nature were still in force.

DISCLOSURE ON DIVERSITY UNDER *CANADA BUSINESS CORPORATIONS ACT*

The Corporation is a junior issuer with no employees, a limited number of directors and officers. For these reasons, the Corporation has decided not to adopt formal policies and targets relating to gender diversity or the representation of designated groups (i.e., aboriginal peoples, persons with disabilities and members of visible minorities) among the members of its Board and senior management. However, the Corporation seriously considers and evaluates diversity when identifying and nominating Board candidates and when making senior management appointments by carefully assessing professional qualifications and aptitudes, personalities and other qualifications of each candidate, depending on *ad hoc* needs of the Corporation.

Currently, there is no director or senior officer that is considered a member of designated group as defined under the CBCA. Members of the Board are elected for a period of one year and remain in office until the next annual general meeting of shareholders at which time their mandates terminate.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

APPROVAL OF THE ROLLING STOCK OPTION PLAN

On July 31st, 2020, the Corporation has adopted a 10% “rolling” stock option plan, appended as Schedule C to this Circular. The material terms and conditions of the Plan are set out under the heading “Stock Option Plan and Other Incentive Plans” of this Circular. Under the Plan, stock options are granted to directors, officers, employees and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Plan, determines the number of options granted to such individuals and determines the date on which each option is granted and the corresponding exercise price. The number of shares so set aside for issuance to must not exceed, on a fully-diluted basis and within a 12-month period, 5% to an individual of the number of issued and outstanding shares of the Corporation, or 10% to the insiders collectively of the number of the issued and outstanding shares of the Corporation.

Consequently, the number of common shares that are reserved under the Plan is automatically increased or decreased as the number of issued and outstanding common shares of the Corporation increases or decreases. This is known as a “rolling” stock option plan. Under the rules of the Exchange, a “rolling” stock option plan must receive shareholder approval every three years. Accordingly, shareholders will be asked to adopt an ordinary resolution (“**Plan Resolution**”) as set forth hereunder. Upon adoption of the Plan Resolution and pursuant to the Exchange’s policies, shareholders will be asked to approve another continuance of the Plan on or before August 15, 2026 in order for it to remain in effect beyond that date, if the Corporate decides to continue the Plan at that time.

As of the Record Date, 5,000,000 options out of the 10% limit (representing 14,417,746 options as of the Record Date) have been granted under the Plan, leaving the remaining 9,417,746 unallocated options available for grant. Such number of unallocated options will automatically increase or decrease upon expiry, cancellation or exercise of the outstanding options.

In order to be adopted, the Plan Resolution must be approved by a majority of the votes cast by the shareholders, either present in person or represented by proxy at the Meeting.

“BE IT RESOLVED as an ordinary resolution of the shareholders of the Corporation that:

1. *The Plan, appended as Schedule C to the Circular, be and it is hereby approved and confirmed; and*
2. *Any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of this resolution.”*

The persons designated in the accompanying form of proxy will vote FOR the Plan Resolution, unless the shareholder specifies in his form of proxy his intention to vote against it.

CORPORATE GOVERNANCE PRACTICES

The Board considers good corporate governance to be important to the effective operations of the Corporation and to ensure that the Corporation is managed so as to enhance shareholder value. The Board is responsible for ensuring that the Corporation addresses all relevant corporate governance issues in compliance with the corporate governance guidelines set forth in Policy Statement 58-201 - *Corporate Governance Guidelines* of the CSA.

The Corporation’s disclosure of corporate governance practices pursuant to *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* is set out in Schedule B to this Circular in the form required by Form 58-101F2.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation’s financial statements and management’s discussion and analysis for the year ended December 31, 2022, a copy of which may be obtained on request to the Corporation at 1188 Union Avenue, Suite 609, Montréal, Québec H3B 0E5. The Corporation may require a payment at a reasonable charge when the request is made by someone other than a shareholder.

APPROVAL OF CIRCULAR

The Board of the Corporation has approved the contents of the Circular and its sending to the shareholders.

Montréal, Québec, July 11th, 2023.

PRIME DRINK GROUP CORP.

Per: (s) Olivier Primeau
Olivier Primeau
President and Chief Executive Officer

SCHEDULE A

AUDIT COMMITTEE CHARTER

PRIME DRINK GROUP CORP. (the “Corporation”)

This Charter was adopted in conformity with *National Instrument 52-110 on the Audit Committee* (“NI-52-110”). The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee (hereinafter described as the “Audit Committee” or the “Committee”) and describes the qualifications and status required to become a member. The Committee reviews its charter periodically and, as required, makes recommendations to the Board of Directors (hereinafter described as the “Board of Directors” or the “Board”) as to any changes to be made.

1. OVERALL PURPOSE - ROLE OF AUDIT COMMITTEE

The Committee is a committee of the Board to whom the Board has delegated the responsibility of reviewing the financial reporting process. The Audit Committee has a general mandate to assist the Board in fulfilling its responsibilities with regard to the financial information of the Corporation and its accounting practices, mainly in the process of reporting and disclosure. In this context, the Committee:

- ensures the reliability and the integrity of the Corporation’s financial statements and financial information, as well as other information made public by the Corporation;
- supervises the management of accounting systems and internal controls;
- assists in ensuring proper communications between the directors and the external auditors;
- supports the independence of the external auditors;
- supports the duties of the external directors in facilitating in-depth discussions between the directors members of the Audit Committee, Management and the external auditors;
- supervises the activities of the external auditors appointed to carry out an audit or to perform other related services; and
- recommends to the Board the appointment of the external auditors and their remuneration.

The Committee has the authority to examine and make recommendations on any question brought to its attention. The Committee, in carrying out this mandate, has access, upon request, to all relevant information concerning the Corporation’s operations, whether this information is in the hands of the Corporation, a subsidiary or a related person.

The Committee may, at his own discretion, use the services of outside consultants.

2. COMMITTEE RESPONSIBILITIES - AUDIT

In general, the Committee’s mandate is to supervise the reporting and disclosure processes of the Corporation and to report on its activities to the Board.

The Committee must ascertain that adequate procedures are in place to review the public disclosure by the Corporation of financial information extracted or derived from its financial statements and must periodically assess the adequacy of these procedures.

The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the

confidential, anonymous submission by employees of the Corporation, if any, of concerns regarding questionable accounting or auditing matters.

And, more particularly,

2.1 Financial Statements, Notes, Management Reports and Press Releases

- 2.1.1 The Committee examines the interim financial statements and the audited financial statements at year-end before making them public, as well as the documents prepared for electronic deposit with regulatory authorities. The Committee may make whatever changes it deems necessary to the financial statements. Otherwise, the Committee recommends the approval of these financial statements by the Board.
- 2.1.2 The Committee examines the notes to the financial statements and all management reports accompanying the financial statements distributed to the shareholders and/or to the regulatory authorities, as well as press releases issued along with the financial statements, notes and related comments. The Committee makes all the modifications deemed necessary to these documents. Otherwise, it recommends the approval of these documents by the Board.

2.2 External Auditors

- 2.2.1 The Committee makes recommendations to the Board with regard to the selection of external auditors, their remuneration and their reappointment, as the case may be. It reviews the audit plan with the external auditors and defines the specific needs of the Committee. The Committee receives the auditors' report with the accompanying notes.
- 2.2.2 The Committee meets with the external auditors before the beginning of their mandate and, at this meeting, examines and approves the scope of the audit plan as well as the audit fees allocated to the work to be done.
- 2.2.3 At that time, the Committee analyzes the external auditors' independence, reviews services other than audit services to be performed by the external auditors and determines if the nature and extent of these services may or may not be prejudicial to their independence. The Committee reviews and approves the hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- 2.2.4 The Committee also meets with the external auditors at the meeting planned for the examination of the year-end audited financial statements and, on this occasion, receives the post-audit report that will mainly deal with:
- The acceptability and quality of the Corporation's accounting principles;
 - The quality of the accounting systems and internal controls put in place by Management to ensure the integrity of the accounting and financial information;
 - The recommendations made by the auditors to Management with respect to the accounting systems and internal controls, and Management's response thereto;

- The assessment of the measures put in place to deal with the risks faced by the Corporation when, in the auditors’ opinion, certain factors could have a material impact on the results of the Corporation; and
 - The difficulties encountered by the external auditors in the course of their mandate, in particular any restrictions imposed by Management or serious accounting questions over which they disagreed with Management.
- 2.2.5 At these meetings, the Audit Committee may meet with the auditors, out of the presence of the Corporation’s Management and the internal directors. In fact, the Committee has direct access to the external auditors and Management and may hold private and informal discussions with each of the parties, whenever deemed opportune in carrying out their mandate.
- 2.2.6 Also, the Management of the Corporation and the external auditors may, if necessary, ask to meet the members of the Committee to review with them all transactions, procedures or other questions which, in their opinion, are relevant to the mandate of the Committee.
- 2.2.7 The Audit Committee must approve, in advance, all the services that are not related to the audit that the external auditors do for the Corporation and its subsidiaries.
- 2.2.8 The Committee examines the conditions of the mandate of the external auditors and verifies that the fees are appropriate and reasonable for the audit and approves unpaid fees.
- 2.2.9 The Committee is in charge of resolving disagreements between the management of the Corporation and the external auditors concerning the financial reporting.

3. RESPONSIBILITIES OF THE COMMITTEE - CONFLICTS OF INTEREST

Every year or more often, as required, the Committee examines:

- 3.1 Any situation that has been brought to its attention that may cause a conflict of interest and, more particularly, the approval of the financial conditions applicable within the framework of contracts with persons or companies related to or affiliated with the Corporation, to ensure that these contracts are as advantageous to the Corporation as if they had been negotiated with other parties.
- 3.2 Any eventual violation of a contract that is brought to its attention and which could have an impact on the financial statements.

4. APPOINTMENT OF AUDITORS - OTHER RESOURCES

In performing its duties, the Committee may hire all necessary resources.

Each year, after having verified the qualifications of the incumbent or potential auditors, the Committee must recommend to the Board the appointment of external auditors. At its first meeting of the year in March, the Committee must consider whether it is appropriate, for the next fiscal year, to proceed with a call for tenders from various auditing firms or to renew the mandate of the auditors in place.

If Management proposes a change of external auditors, the Committee must be informed of the reasons for such a change and, in all cases, approve the information to be made public in accordance with the regulations.

5. COMPOSITION

The Audit Committee consists of a minimum of three directors appointed by the Board at the first meeting following the annual general meeting of the shareholders.

The members of the Committee are in majority independent directors, as defined in Rule 52-110. All members of the Committee are financially literate.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation’s financial statements.

6. CHAIRMAN OF THE COMMITTEE

The Chairman of the Committee is selected by the members of the Committee unless he is appointed by the Board; in the case of absence, unavailability or if he vacates his post, the chairmanship will be assumed by a member chosen by the Committee.

7. NUMBER OF MEETINGS

The Committee will meet at least four (4) times per year or more, if necessary. Meetings can be held by conference call.

A member of the Committee may convene a special meeting.

8. ORGANIZATION

The Committee appoints a Secretary.

Before each Committee meeting, the Secretary distributes a written agenda to the members. The Secretary will also maintain minutes of each meeting.

9. QUORUM AND DECISIONS

A majority of Committee members shall constitute a quorum.

Provided there is a quorum, decisions are made by a vote of the majority of the members present.

10. REPORT

The Committee reports to the Board of Directors. The minutes of a Committee meeting constitute a report in itself.

SCHEDULE B

CORPORATE GOVERNANCE

PRIME DRINK GROUP CORP. (the “Corporation”)

The Board has carefully reviewed the corporate governance guidelines of Policy Statement 58-201 to *Corporate Governance Guidelines. Regulation 58-101 respecting Disclosure of Corporate Governance Practices* (“**Regulation 58-101**”) of the Canadian Securities Administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. Those practices are as follows.

Board of Directors

The board of directors delegates to management the responsibility for the development of these strategies and holds itself responsible for the approval of the strategies finally adopted. In addition to those matters which must by law be approved by the board of directors, management is required to seek board of director’s approval for significant acquisitions, divestitures and capital expenditures. Other matters of strategic importance to the Corporation or which impact significantly on the operations of the Corporation are brought to the board of director’s attention for its input, consideration and approval.

The board of director oversees the identification of the principal risks of the Corporation’s business and the implementation by management of appropriate systems to manage such risks. The board of director reviews from time to time organizational matters such as succession planning. Given current management’s tenure, their vast experience and low turnover, succession planning is not seen as critical at the present time by the board of director.

The following directors are “independent” pursuant to Regulation 58-101 in that they are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding: Michael Pesner, Robert Dunn, Alexandre Côté and Raimondo Messina.

The independent directors hold meetings without the attendance of the non-independent director and the executive officers.

Directorships

The table below outlines the director of the Corporation who are presently serving as director of other reporting issuers.

Name of Director	Name of Reporting Issuer	Exchange Listed
Robert Dunn	Diagnos Inc.	TSX Venture Exchange
Michael Pesner	Wallbridge Mining Company Limited	Toronto Stock Exchange

Orientation and Continuing Education

The Board of the Corporation takes the following steps to ensure that all new directors receive orientation regarding the role of the board of director, its committees and its directors, and the nature and operation of the Corporation.

Reports and other documentation relating to the Corporation's business and affairs are provided to new directors.

Orientation and education of directors is an ongoing matter. As such, ongoing informal discussions between management and members of the board of director are encouraged and visits to the Corporation's operations have not been organized.

Ethical Business Conduct

The Corporation is committed to promote the highest standard of ethic and integrity in the pursuance of all of its activities.

Furthermore, the directors, officers and employees of the Corporation are expected to act and to hold their office within the best interests of the Corporation. The Corporation expects that all directors shall act in compliance of all laws and regulations applicable to their office as director of the Corporation.

In the event any transactions or agreements occur in respect of which a director or executive officer has a material interest, the matter must be initially reviewed by the Audit Committee and is then submitted to the Board. The board of director may implement any measures that it finds necessary in order to ensure the exercise of independent judgment. In the event a director has a material interest in any transaction or agreement, such director will abstain from voting in that regard.

Nomination of Directors

The Board of the Corporation does not feel it is necessary to increase the number of directors on the board of director at this time.

The Chairman of the board of directors and President of the Corporation seeks qualified candidates to be considered for nomination as directors. Proposed nominations are subject to review and approval by the board of directors.

Any new appointees or nominees to the Board must have a favourable track record in general business management, special expertise in areas of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as a director.

New candidates for the director's position are carefully assessed as to their professional qualifications and aptitudes, including the availability that the candidate is able to devote to this task, all according to the needs of the Corporation.

Compensation

The Board does not have a compensation committee. The current size of the Board allows the entire Board to take the responsibility for considering compensation for the Corporation's executive officers and directors. Except for the issuance of incentive stock options from time to time, the Corporation does not compensate its directors for their capacity as such.

In order to determine the compensation of the directors and the CEO, the Board of Directors shall notably take into account the contribution made by each person to the Corporation, the financial resources available to the Corporation and the compensation given to people occupying similar positions in comparable Canadian companies. During the financial year ended December 31, 2022, the Corporation's directors have not received any compensation in cash for the services they have rendered in their capacity as directors, except Alexandre Côté, Michael Pesner and Robert Dunn who have received \$10,000.00, for a total of \$30,000.00, as Committee or Meeting Fees.

Other Board Committees

The board of director has no standing committee other than the Audit Committee.

Assessments

No formal steps are in place; however, performance is reviewed informally. The Board believes that its small size facilitates informal discussions and the evaluation of members' contributions with that framework.

SCHEDULE C

DOMINION WATER RESERVES CORP.

STOCK OPTION PLAN

DATED FOR REFERENCE JULY 31, 2020

STOCK OPTION PLAN

DEFINITIONS AND INTERPRETATION

Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

“**Administrator**” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.

“**Associate**” means, where used to indicate a relationship with any person:

any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;

any partner, other than a limited partner, of that person;

any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and

any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.

“**Black-Out**” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.

“**Board**” means the board of directors of the Company.

“**CSE**” means the Canadian Securities Exchange.

“**Change of Control**” means an occurrence when either:

a Person or Entity, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or

a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.

“**Committee**” means a committee of the Board to which the responsibility of approving the grant of stock options has been delegated, or if no such committee is appointed, the Board itself.

“**Company**” means DOMINION WATER RESERVES CORP.;

“Consultant” means an individual who:

is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);

provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);

in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and

has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (i) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a **“Consultant Entity”**); or

an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.

“Disability” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Company or any Subsidiary employing or engaging the Person, that the Committee, acting reasonably, determines constitutes a disability.

“Employee” means:

an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or

an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (i) a corporation wholly-owned by such individual; and

any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.

“**Exchange**” means the stock exchange upon which the Company’s shares principally trade.

“**Executive**” means an individual who is a director or officer of the Company or a Subsidiary, and includes:

a corporation wholly-owned by such individual; and

any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.

“**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, or by written notice in the case of uncertificated Shares, duly executed by the Option Holder.

“**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has Vested pursuant to the terms and conditions of this Plan and any additional terms and conditions imposed by the Committee, and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.

“**Exercise Price**” means the price at which an Option is exercisable as determined in accordance with section 5.3.

“**Expiry Date**” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.

“**Expiry Time**” means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.

“**Grant Date**” means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.

“**Insider**” means an insider as that term is defined in the *Securities Act*.

“**Investor Relations Activities**” means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
to promote the sale of products or services of the Company, or
to raise public awareness of the Company,

that cannot reasonably be considered to promote the purchase or sale of securities of the Company;

activities or communications necessary to comply with the requirements of:
applicable securities laws;

Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;

communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

the communication is only through the newspaper, magazine or publication, and the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

activities or communications that may be otherwise specified by the Exchange.

“Market Value” means the market value of the Shares as determined in accordance with section 5.3.

“NI 45-106” means National Instrument 45-106—*Prospectus Exemptions*.

“Option” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.

“Option Certificate” means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.

“Option Holder” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.

“Outstanding Issue” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.

“Person or Entity” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.

“Personal Representative” means:

in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.

“Plan” means this stock option plan as from time to time amended.

“Pre-Existing Options” has the meaning ascribed thereto in section 4.1.

“Regulatory Approvals” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.

“Regulatory Authorities” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.

“Regulatory Rules” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.

“Related Entity” means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of

ownership of or direction over voting securities in the second Person,

a written agreement or indenture,

being the general partner or controlling the general partner of the second Person, or

being a trustee of the second Person.

“Related Person” means:

a Related Entity of the Company;

a partner, director or officer of the Company or Related Entity;

a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and

any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.

“Securities Act” means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.

“Share” or **“Shares”** means, as the case may be, one or more common shares without par value in the capital stock of the Company.

“Subsidiary” means a wholly-owned or controlled subsidiary corporation of the Company.

“Triggering Event” means:

the proposed dissolution, liquidation or wind-up of the Company;

a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;

the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;

a proposed Change of Control of the Company;

the proposed sale or other disposition of all or substantially all of the assets of the Company; or

a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.

“Vest”, “Vesting” or “Vested” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorns to the jurisdiction of the Courts of British Columbia.

Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

GRANT OF OPTIONS

Grant of Options

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

Record of Option Grants

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

the name and address of the Option Holder;

the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;

the Grant Date and Expiry Date of the Option;

the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;

the vesting and other additional terms, if any, attached to the Option; and

the particulars of each and every time the Option is exercised.

Effect of Plan

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

Hold Period

Pursuant to Exchange Policies, where a hold period is applicable, the Option Certificate will include a legend stipulating that the Option is and the Shares upon the exercise of the Option are subject to a four-month hold period commencing on the date of distribution of the Option.

PURPOSE AND PARTICIPATION

Purpose of Plan

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

Participation in Plan

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

Limits on Option Grants

The Company shall only grant Options under this Plan in accordance with Section 10 hereof and, for greater certainty, may not grant any Options under this Plan unless an exemption under NI 45-106 is available. Section 2.24 of NI 45-106 shall not apply to the Plan and all Options granted thereunder to any Employees or Consultants who are engaged in Investor Relations Activities for the Company, any associated Consultant, any executive officer of the Company, any director of the Company or any permitted assign of those Persons if, after the grant:

the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to

Related Persons, exceeds 10% of the outstanding securities of the Company, or a Related Person, exceeds 5% of the outstanding securities of the Company, or

the number of securities, calculated on a fully diluted basis, issued within 12 months to

Related Persons, exceeds 10% of the outstanding securities of the Company, or a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company;

unless the Company obtains security holder approval in accordance with the Regulatory Rules, including the requirements under NI 45-106.

Limits on Option Grants for Investor Relations Activities

The maximum number of Options which may be granted within an 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.

Notification of Grant

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

Copy of Plan

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

Limitation on Service

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

No Obligation to Exercise

Option Holders shall be under no obligation to exercise Options.

Agreement

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other

kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

Notice

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

Representation

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

NUMBER OF SHARES UNDER PLAN

Committee to Approve Issuance of Shares

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

Number of Shares

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan, plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

Fractional Shares

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

TERMS AND CONDITIONS OF OPTIONS

Exercise Period of Option

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

Number of Shares Under Option

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

Exercise Price of Option

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. Notwithstanding the foregoing, the Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

if the Company's Shares are listed on the CSE, and the Committee determines the CSE to be the Company's primary Exchange, Market Value will be the greater of the closing trading price of the Shares on: (i) the trading day prior to the Grant Date and (ii) the Grant Date;

subject to subparagraph (a) above, for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;

if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraphs (a) or (b) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;

subject to subparagraph (a), if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and

if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

Ceasing to Hold Office - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:

ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;

a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or

an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

Ceasing to be Employed or Engaged - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

termination for cause;

resigning his or her position; or

an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

Vesting of Option and Acceleration

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan.

Additional Terms

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

TRANSFERABILITY OF OPTIONS

Non-transferable

Except as provided otherwise in this section 6, Options are non-assignable and non-transferable.

Death of Option Holder

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

Disability of Option Holder

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

Disability and Death of Option Holder

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

Vesting

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

Deemed Non-Interruption of Engagement

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

EXERCISE OF OPTION

Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, or by written notice in the case of uncertificated Shares, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise.

Black Out Period

If an Option expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to section 5.4(a)(i)(ii) or (iii) or section 5.4(b)(i)(ii) or (iii) above) within or immediately after a Black-Out, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Black-Out; provided, that, the expiration date as extended by this section 7.2 will not in any event be beyond the later of: (i) December 31 of the calendar year in which the Option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire.

Issue of Share Certificates

As soon as reasonably practicable following the receipt of the notice of exercise as described in section 7.1 and payment in full for the Optioned Shares being acquired, the Administrator will direct its transfer agent to issue to the Option Holder the appropriate number of Shares in either certificate form or at the election of the Option Holder, on an uncertificated basis pursuant to the instructions given by the Option Holder to the Administrator. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Shares.

No Rights as Shareholder

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the Shares, the decision of the Committee shall be final, conclusive and binding.

Tax Withholding and Procedures

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or

otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

ADMINISTRATION

Board or Committee

The Plan shall be administered by the Administrator with oversight by the Committee.

Powers of Committee

The Committee shall have the authority to do the following:

oversee the administration of the Plan in accordance with its terms;

appoint or replace the Administrator from time to time;

determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;

correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;

prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;

determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;

do the following with respect to the granting of Options:

determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;

determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);

subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;

determine when Options shall be granted; and

determine the number of Shares subject to each Option;

accelerate the vesting schedule of any Option previously granted; and

make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

Administration by Committee

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

Interpretation

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

APPROVALS AND AMENDMENT

Shareholder Approval of Plan

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

Amendment of Option or Plan

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

materially decrease the rights or benefits accruing to an Option Holder; or

materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

Compliance with Laws

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates for the Shares or the written notice in the case of uncertificated Shares representing such Shares accordingly.

Regulatory Approvals

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

Inability to Obtain Regulatory Approvals

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

ADJUSTMENTS AND TERMINATION

Termination of Plan

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this section 11, the Plan shall terminate on, and no more Options shall be granted under the Plan after, the tenth anniversary of the date of the Exchange's acceptance of the Plan.

No Grant During Suspension of Plan

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

Alteration in Capital Structure

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- a change in the number or kind of shares of the Company covered by such Options; and
- a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

Triggering Events

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or

cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

Notice of Termination by Triggering Event

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject. Furthermore, if any of the Options granted under this Plan are cancelled prior to their Expiry Date, the Company shall not grant new Options to the same Persons or Entities until thirty (30) days have lapsed from the date of cancellation.

Determinations to be Made By Committee

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

SCHEDULE A

[Include legends prescribed by Regulatory Authorities, if required.]

DOMINION WATER RESERVES CORP.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “**Plan**”) of DOMINION WATER RESERVES CORP. (the “**Company**”) and evidences that ● [Name of Option Holder] is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ● common shares (the “**Shares**”) in the capital stock of the Company at a purchase price of Cdn\$ ● per Share (the “**Exercise Price**”). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 4:00 p.m. local time in Vancouver, British Columbia (the “**Expiry Time**”) on the following Expiry Date:

- (a) the Grant Date of this Option is ●; and
- (b) subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is ●.

To exercise this Option, the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, or written notice in the case of uncertificated Shares, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company or its legal counsel in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include legends on the certificate or the written notice in the case of uncertificated shares prescribed by Regulatory Authorities, if required.]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented hereby have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States. The holder hereof, by purchasing such securities, agrees for the benefit of the Company that such securities 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) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws; or (d) in a transaction that does not require registration under the U.S. Securities Act and any applicable state securities laws, and, in the case of paragraph (c) or (d), the seller furnishes to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.

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.”

DOMINION WATER RESERVES CORP.
by its authorized signatory:

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

Signature

Date signed:

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) ● Shares (●%) will vest and be exercisable on or after the Grant Date;
 - (b) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (c) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
 - (d) ● additional Shares (●%) will vest and be exercisable on or after ● [date];

2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.4(a) or 5.4(b) of the Plan, the Expiry Date of the Option shall be ● **[Insert date desired that is longer or shorter than the standard 30 days as set out in the Plan]** following the date the Option Holder ceases to hold such position.

SCHEDULE B

DOMINION WATER RESERVES CORP.

STOCK OPTION PLAN

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
DOMINION WATER RESERVES CORP.
● [Address]
(or such other address as the Company may advise)

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the “**Plan**”) of DOMINION WATER RESERVES CORP. (the “**Company**”), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

- (a) all of the Shares; or
- (b) of the Shares;

which are the subject of the Option Certificate attached hereto (**attach your original Option Certificate**). The undersigned tenders herewith a certified cheque or bank draft (**circle one**) payable to the Company or to ● in an amount equal to the aggregate Exercise Price of the aforesaid Shares and directs the Company to issue a certificate OR a written notice in the case of uncertificated Shares evidencing said Shares in the name of the undersigned to be issued to the undersigned [in the case of issuance of a share certificate, at the following address (**provide full complete address**)]:

The undersigned acknowledges the Option is not validly exercised unless this Notice is completed in strict compliance with this form and delivered to the required address with the required payment prior to 4:00 p.m. local time in Vancouver, BC on the Expiry Date of the Option.

DATED the day _____ of _____, 20__ .

Signature of Option Holder