

# SASSY RESOURCES CORPORATION

## RESTRICTED SHARE UNIT PLAN

### PART 1

#### GENERAL PROVISIONS

##### Establishment and Purpose

1.1 The Company hereby establishes a restricted share unit plan known as the “Sassy Restricted Share Unit Plan”.

1.2 The purpose of this Plan is to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. This Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company.

##### Definitions

1.3 In this Plan:

- (a) **Applicable Withholding Tax** has the meaning set forth in §3.7;
- (b) **Award** means an agreement evidencing the grant of a Restricted Share Unit;
- (c) **Award Payout** means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (d) **Blackout Period** means the period of time when, pursuant to any policies of the Corporation or any resolution of the Board, any Shares may not be traded by certain persons as designated by the Company, including a holder of any Restricted Share Unit;
- (e) **Board** means the Board of Directors of the Company;
- (f) **Change of Control** in respect of any Recipient has the meaning ascribed to such term (in a relevant context) in the Recipient’s then existing employment agreement with the Company or, if no meaning is so ascribed, means the acquisition by any person or by any person and its joint actors (as such term is defined in the Securities Act), whether directly or indirectly, of voting securities (as such term is defined in Securities Act) of the Company which, when added to all of the voting securities of the Company at the time held by such person and its joint actors, totals for the first time not less than 50% of the outstanding voting securities of the Company;

- (g) **Committee** means the Compensation Committee of the Board, consisting of not less than three directors, to whom the authority of the Board is delegated in accordance with §1.5;
- (h) **Company** means Sassy Resources Corporation, and includes any successor company thereto;
- (i) **Director** means a member of the Board or of the board of directors of a Related Entity;
- (j) **Eligible Person** means any person who is a Director, Employee, Officer or Consultant;
- (k) **Employee** means an employee of the Company or of a Related Entity;
- (l) **Expiry Date** means December 31 of the third calendar year after the Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;
- (m) **Fair Market Value** means, as at a particular date, for the purpose of calculating the applicable Vesting Date Value and Award Payout,
- (i) if the Shares are listed on the TSXV, the greater of : (i) the weighted average of the trading price per Share on the TSXV for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
  - (ii) if the Shares are listed on the TSX, the volume weighted average price per Share traded on the TSX over the last five trading days preceding that date,
  - (iii) if the Shares are not listed on the TSX or the TSXV, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period, or
  - (iv) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (n) **Grant Date** means the date of grant of any Restricted Share Unit;
- (o) **IFRS** means the International Financial Reporting Standards as adopted by the Accounting Standards Board of Canada;
- (p) **Insider** means: (i) a Director or Officer of the Company; (ii) a Director or Officer of a company that is an Insider or Related Entity of the Company; (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company; and (iv) the Company itself if it holds any of its own securities;

- (q) **Officer** means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;
- (r) **Plan** means this Sassy Restricted Share Unit Plan, as amended from time to time;
- (s) **Recipient** means an Eligible Person who may be granted Restricted Share Units from time to time under this Plan;
- (t) **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
- (i) ownership of or direction over voting securities in the second person,
  - (ii) a written agreement or indenture,
  - (iii) being the general partner or controlling the general partner of the second person, or
  - (iv) being a trustee of the second person;
- (u) **Required Approvals** has the meaning contained in §1.7.
- (v) **Restricted Period** means the period of time: (i) during a Black Out Period; and (ii) within five Business Days following the end of a Black Out Period;
- (w) **Restricted Share Unit** means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in §3.1;
- (x) **Retirement** means, with respect to a Recipient, the early or normal retirement of the Recipient within the meaning of the pension plan of the Company for salaried employees, whether or not such Recipient is a member of that pension plan, or, if the Company does not have such a plan, the date on which the Recipient reaches age 65;
- (y) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;
- (z) **Share** means a Common share in the capital of the Company as from time to time constituted;
- (aa) **Share Compensation Arrangement** means any share option, share option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers or Employees of the Company;

(bb) **Shareholder Approval** means approval by the shareholders of the Company shareholders in accordance with the rules of the Stock Exchange;

(cc) **Stock Exchange** means the TSX, the TSXV, the CSE or any other stock exchange on which the Shares are then listed for trading, as applicable;

(dd) **Termination** means, with respect to a Recipient, that the Recipient has ceased to be an Eligible Person, other than as a result of Retirement, and has ceased to fulfil any other role as employee or officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an officer, death or Total Disability;

(ee) **Total Disability** means, with respect to a Recipient, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, the Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Recipient is reasonably qualified to perform;

(ff) **Trigger Date** means, with respect to a Restricted Share Unit, the date set by the Board at the time of grant, and if no date is set by the Board, then December 1 of the third calendar year following the Grant Date of the Restricted Share Unit, as such may be amended in accordance with §2.6;

(gg) **TSX** means The Toronto Stock Exchange;

(hh) **TSXV** means the TSX Venture Exchange;

(ii) **CSE** means the Canadian Securities Exchange; and

(jj) **Vesting Date Value** means the notional value, as at a particular date, of the Fair Market Value of one Share.

## **Administration**

1.4 The Board will, in its sole and absolute discretion, but taking into account relevant corporate, securities and tax laws,

(a) interpret and administer this Plan,

(b) establish, amend and rescind any rules and regulations relating to this Plan, and

(c) make any other determinations that the Board deems necessary or appropriate for the administration of this Plan.

The Board may correct any defect or any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or appropriate. Any decision of the Board in the interpretation and administration of this Plan will be final, conclusive and binding on all parties concerned. All expenses of administration of this Plan will be borne by the Company.

### **Delegation to Committee**

1.5 All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, without limiting the generality of the foregoing, those referred to under §1.4).

### **Incorporation of Terms of Plan**

1.6 Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Share Unit granted under this Plan.

### **Effective Date**

1.7 This Plan will be effective on August 24, 2020. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of the necessary Shareholder Approval of the Company, the CSE and any other regulatory bodies (the “**Required Approvals**”).

### **Maximum Shares Reserved**

1.8 The maximum aggregate number of Shares that may be reserved for issuance from treasury under this Plan at any point in time, subject to adjustment pursuant to §2.9, is 10% of the outstanding Shares at the time Shares are reserved for issuance as a result of the issuance of a Restricted Share Unit unless this Plan is amended pursuant to the requirements of the applicable Stock Exchange that the Company is listed on.

### **Limitations on Restricted Share Units to any One Person and to Insiders**

1.9 Unless disinterested Shareholder Approval is obtained (or unless permitted otherwise by the rules of the Stock Exchange):

- (a) the maximum number of Shares which may be reserved for issuance to Insiders (as a group) under the Plan may not exceed 10% of the issued Shares;
- (b) the maximum number of Restricted Share Units that may be granted to Insiders (as a group) under the Plan, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date; and
- (c) the maximum number of Restricted Share Units that may be granted to any one Eligible Person under the Plan may not exceed 5% of the issued Shares calculated on the Grant Date.

## PART 2

### AWARDS UNDER THIS PLAN

#### Recipients

2.1 Only Eligible Persons are eligible to participate in this Plan and receive one or more Restricted Share Units. Restricted Share Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or a Related Entity, as the case may be, in the Company's or the Related Entity's fiscal year ending in, or coincident with, such calendar year, as determined by the Board in its discretion.

#### Grant

2.2 The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to §2.4(d), in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

#### Performance Conditions

2.3 At the time a grant of a Restricted Share Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Share Units as may be specified by the Committee in the Award (the "**Performance Conditions**"). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one Grantee or to different Grantees.

#### Vesting

2.4 Except as provided in this Plan, Restricted Share Units issued under this Plan will vest on the date (the "**Vesting Date**") that is the later of:

- (a) the Trigger Date; and
- (b) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied,

provided that

(c) Restricted Share Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;

(d) if the date in section 2.4(a) or 2.4(b) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one business day following the end of such Restricted Period; and (ii) the Expiry Date; and

(e) no Restricted Share Unit will remain outstanding for any period which exceeds the Expiry Date of such Restricted Share Unit.

### **Forfeiture and Cancellation Upon Expiry Date**

2.5 Restricted Share Units which do not vest on or before the Expiry Date of such Restricted Share Unit will be automatically cancelled, without further act or formality and without compensation.

### **Amendment of Trigger Date**

2.6 The Board of Directors may, at any time after a grant of a Restricted Share Unit, accelerate the Trigger Date of such Restricted Share Unit.

### **Account**

2.7 Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Recipient by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Recipient's account will be sent by the Company to the Recipient upon request of the Recipient.

### **Dividend Equivalents**

2.8 On any date on which a cash dividend is paid on Shares, a Recipient's account will be credited with the number and type of Restricted Share Units (including fractional Restricted Share Units, computed to three digits) calculated by

(a) multiplying the amount of the dividend per Share by the aggregate number of Restricted Share Units that were credited to the Eligible Person's account as of the record date for payment of the dividend, and

(b) dividing the amount obtained in §2.8(a) by the Fair Market Value on the date on which the dividend is paid.

### **Adjustments and Reorganizations**

2.9 In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board, in its

sole and absolute discretion, will make, with respect to the number of Restricted Share Units outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

### **Notice and Acknowledgement**

2.10 No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Eligible Person will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

## **PART 3**

### **PAYMENTS UNDER THIS PLAN**

#### **Payment of Restricted Share Units**

3.1 Subject to the terms of this Plan and, in particular, §3.7 of this Plan, the Company, in its discretion and as may be determined by the Board of Directors, will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Recipient by paying or issuing (net of any Applicable Withholding Tax) to such Recipient, on or subsequent to the Trigger Date but no later than the Expiry Date of such Vested Restricted Share Unit, an Award Payout of either:

- (a) subject to receipt of the Required Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, the Company shall pay to such Recipient, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable, or
- (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Share Unit.

#### **Limitation on Issuance of Shares to Insiders**

3.2 Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Eligible Person who is an Insider of the Company where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Insiders exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and
- (b) the total number of Shares that may be issued to Insiders during any one year period under this Plan exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non diluted basis.



Where the Company is precluded by this §3.2 from issuing Shares to an Insider of the Company, the Company will pay to the relevant Insider a cash Award Payout in an amount equal to the Vesting Date Value as at the Trigger Date of the Restricted Share Unit.

### **Consultants and Advisors**

3.3 The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

### **Cancellation on Termination for Cause, Retirement or Voluntary Resignation**

3.4 Unless the Board at any time otherwise determines, all unvested Restricted Share Units held by any Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause, Retirement of the Recipient or the voluntary resignation by the Recipient.

### **Total Disability, Death and Termination Without Cause**

3.5 Unless the Board at any time otherwise determines, if a Recipient ceases to be an Eligible Person for any of the following reasons, unvested Restricted Share Units will immediately vest on the date the Recipient ceases to be an Eligible Person:

- (a) death or Total Disability of a Recipient;
- (b) the Termination of employment or removal from service by the Company or a Related Entity without cause; and
- (c) the Termination of employment by the Recipient other than by way of Retirement of the Recipient or voluntary resignation by the Recipient.

### **Change of Control**

3.6 In the event of a Change of Control, all Restricted Share Units credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on the date on which the Change of Control occurs (the “**Change of Control Date**”). Within thirty (30) days after the Change of Control Date, but in no event later than the Expiry Date, the Participant shall receive a cash payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

## **Tax Matters and Applicable Withholding Tax**

3.7 The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Recipients of Restricted Share Units, or payments received by Recipients pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold (“**Applicable Withholding Tax**”), in such manner (including, without limitation, by selling Shares otherwise issuable to Recipients, on such terms as the Company determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Recipients, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or Related Entity, as applicable, respecting the payment by such Recipients of applicable income or other taxes.

## **PART 4**

### **MISCELLANEOUS**

#### **Compliance with Applicable Laws**

4.1 The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Recipient agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.

#### **Non-Transferability**

4.2 Restricted Share Units and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

#### **No Right to Service**

4.3 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Recipient a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.

### **Successors and Assigns**

4.4 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person.

### **Plan Amendment**

4.5 The Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Share Units to which the Recipient is then entitled under this Plan.

### **Plan Termination**

4.6 The Board may terminate this Plan at any time, but no termination will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Share Units to which the Recipient is then entitled under this Plan. In no event will a termination of this Plan accelerate the vesting of Restricted Share Units or the time at which a Recipient would otherwise be entitled to receive any payment in respect of Restricted Share Units hereunder.

### **Governing Law**

4.7 This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.

### **Reorganization of the Company**

4.8 The existence of this Plan or Restricted Share Units will not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

### **No Shareholder Rights**

4.9 Restricted Share Units are not considered to be Shares or securities of the Company, and a Recipient who is issued Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.

**No Other Benefit**

4.10 No amount will be paid to, or in respect of, a Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Recipient for such purpose.

**Unfunded Plan**

4.11 For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Recipient to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

**SCHEDULE "A"**

**FORM OF RESTRICTED SHARE UNIT AGREEMENT**

Sassy Resources Corporation (the "**Company**") hereby confirms the grant to the undersigned Recipient of Restricted Share Units ("**Units**") described in the table below pursuant to the Company's Restricted Share Unit Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Recipient.

| No. of Units | Trigger Date | Expiry Date |
|--------------|--------------|-------------|
|              |              |             |
|              |              |             |
|              |              |             |

**[include any specific/additional vesting period or Performance Conditions]**

**DATED** \_\_\_\_\_, 20\_\_\_\_.

**SASSY RESOURCES CORPORATION**

Per: \_\_\_\_\_  
Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Recipient under the Plan, agrees to be bound by the provisions thereof and agrees that the Plan will be effective as an agreement between the Company and the undersigned with respect to the Units granted or otherwise issued to it.

**DATED** \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness (Signature)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, Province

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
Recipient's Signature

\_\_\_\_\_  
Name of Recipient (print)