

**FATHOM NICKEL INC.**

**Notice of Annual Meeting of Shareholders**

**TO: THE SHAREHOLDERS OF FATHOM NICKEL INC.**

**TAKE NOTICE** that the Annual Meeting (the "**Meeting**") of Class A common shareholders ("**Shareholders**") of Fathom Nickel Inc. (the "**Corporation**") will be held at the Conference Centre, 3<sup>rd</sup> Floor, Manulife Place, 707-5<sup>th</sup> Street SW, Calgary, Alberta, on Monday August 12, 2024 at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive and consider the annual audited comparative financial statements of the Corporation for the year ended December 31, 2023, together with the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at five;
3. to elect directors of the Corporation for the ensuing year;
4. to appoint BDO Canada LLP, as auditors of the Corporation and to authorize the directors of the Corporation to fix their remuneration as such;
5. to consider and, if thought advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying information circular (the "**Information Circular**"), approving the Corporation's equity incentive plan; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular which accompanies and forms part of this Notice.

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on July 8, 2024 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Class A common shares ("**Common Shares**") of the Corporation included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers their Common Shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he or she owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

**If you are a registered Shareholder and are unable to attend the Meeting or any adjournment thereof in person, please complete, sign and mail the enclosed form of proxy to, or deposit it with, Odyssey Trust Company, Attention: Proxy Department, Trader's Bank Building, Suite 702, 67 Yonge St. Toronto, ON M5E 1J8, or by facsimile at 1-800-517-4553, or via email: [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof.**

**Registered Shareholders may also use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions.**

The Corporation encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. **Only shareholders who attend the Meeting in person will be permitted to vote at the Meeting.** To access the Meeting by Zoom video conference, go to: <https://us06web.zoom.us/j/89591702298?pwd=GnZfSoMGahmHbToMea1S0sFMU4MGWD.1> (meeting ID: 895 9170 2298; Passcode: 596338).

Non-registered or beneficial Shareholders who do not hold Common Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary must complete and return the voting instruction form provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the voting instruction form in order to have such Common Shares voted at the Meeting on their behalf. See "*Advice to Beneficial Shareholders*" in the accompanying Information Circular.

DATED at Calgary, Alberta, this 8th day of July, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

Signed "*Ian Fraser*"

Ian Fraser, CEO



## FATHOM NICKEL INC.

Information Circular - Proxy Statement  
for the Annual Meeting of Shareholders to be held  
on August 12, 2024 at 10:00 a.m. Calgary time

### GENERAL

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Fathom Nickel Inc. ("Fathom" or the "Corporation") for use at the annual meeting (the "Meeting") of holders ("Shareholders") of Class A common shares ("Common Shares") of Fathom to be held on August 12, 2024, and any adjournments thereof. No person has been authorized to give any information or make any representations in connection with the matters to be considered at the Meeting other than those contained in this Information Circular and if given or made, any such information or representation must not be relied upon as having been authorized.**

Information contained in this Information Circular is given as of July 8, 2024, unless otherwise specifically stated.

### SOLICITATION OF PROXIES

**This Information Circular is provided in connection with the solicitation of proxies by the management of Fathom for use at the Meeting for the purposes set forth in the accompanying Notice of Annual Meeting.** Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in person or by telephone, fax or oral communication by directors, officers, employees and/or agents of Fathom, including by proxy solicitation agents that may be specifically retained for such purpose. All costs of the solicitation for the Meeting will be borne by Fathom, and Fathom will reimburse Broadridge (as such term is defined below) and intermediaries for the reasonable fees and costs incurred by them in mailing soliciting materials to Beneficial Shareholders (as such term is defined below). Also see "*Advice to Beneficial Shareholders*".

### APPOINTMENT OF PROXIES

Accompanying this Information Circular is a form of proxy (the "**Instrument of Proxy**") or voting instruction form ("**VIF**") for use by Shareholders. The persons named in the enclosed Instrument of Proxy are directors and/or officers of Fathom. **A registered Shareholder desiring to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the Instrument of Proxy may do so by inserting such person's name in the blank space provided in the accompanying Instrument of Proxy and submitting the Instrument of Proxy in accordance with the instructions set forth therein.**

### VOTING OF PROXIES FOR NON-REGISTERED SHAREHOLDERS

**Only proxies deposited by registered Shareholders whose names appear on the records of Fathom as the registered holder of Common Shares can be recognized and acted upon at the Meeting. If you are a non-registered holder of Common Shares and have received these materials from your broker or another intermediary, please complete and return the VIF provided to you by your broker or other intermediary in accordance with the instructions provided with it. Failure to do so**

**may result in your Common Shares not being eligible to be voted at the Meeting. See "Advice to Beneficial Shareholders" below.**

## **REVOCAION OF PROXIES**

In addition to revocation in any other manner permitted by law, a registered Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited either at the registered office of Fathom at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. Please note that if a registered Shareholder appoints a proxy holder and submits their voting instructions via the internet and subsequently wishes to change their appointment, such Shareholder may resubmit their proxy and/or voting direction via the internet prior to the deadline noted above. When resubmitting a proxy via the internet, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

Only the registered holder of Common Shares has the right to revoke a proxy in the manner described above. If you are a Beneficial Shareholder and wish to change your vote, you must arrange for your broker or other intermediary in whose name your Common Shares are registered to revoke the voting instructions given on your behalf in accordance with the instructions provided by such broker or other intermediary. It should be noted that the revocation of voting instructions by a Beneficial Shareholder can take several days or even longer to complete and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the VIF accompanying this Information Circular. See "Advice to Beneficial Shareholders" for additional information on the voting procedures applicable to Beneficial Shareholders.

## **PROXY VOTING**

The Common Shares represented by the accompanying Instrument of Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such direction, the persons set forth in the accompanying Instrument of Proxy intend to vote the Common Shares represented thereby FOR each of the matters set forth in the accompanying Notice of Annual Meeting.**

## **EXERCISE OF DISCRETION OF PROXY**

The enclosed Instrument of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual Meeting and this Information Circular and with respect to other matters that may properly come before the Meeting. At the date of this Information Circular, management of Fathom does not know of any amendments, variations or other matters to come before the Meeting.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of them do not hold their Common Shares in their own names. Shareholders who do not hold Common Shares in their own names ("**Beneficial**

**Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of Fathom as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of Fathom. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. The directors and officers of Fathom do not know for whose benefit the Common Shares registered in the name of CDS & Co. or of other brokers/agents are held. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The VIF supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Instrument of Proxy provided to registered Shareholders by Fathom; however, its purpose is limited to instructing the registered Shareholder (the broker or the agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form instead of the form of Instrument of Proxy. The Beneficial Shareholder is asked to complete the voting instruction form and return it to Broadridge in accordance with the instructions set forth therein. Alternatively, the Beneficial Shareholder may call a toll-free number to vote the shares held by the Beneficial Shareholder or vote online. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

**A Beneficial Shareholder receiving a VIF cannot use that VIF to vote Common Shares directly at the Meeting as the VIF must be returned as directed therein well in advance of the Meeting in order to have the Beneficial Shareholder's Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed VIFs as directed well in advance of the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholders for the registered Shareholder should enter their own names in the blank space on the VIF provided to them and return the same in accordance with the instructions provided well in advance of the Meeting.

Fathom will not send proxy-related materials directly to non-objecting or objecting Beneficial Shareholders - such materials will be delivered to Beneficial Shareholders by Broadridge or through the Beneficial Shareholder's intermediary. Fathom will pay the reasonable fees and costs of Broadridge or a Beneficial Shareholder's intermediary to deliver the proxy-related

materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary to objecting Beneficial Shareholders*.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **Financial Statements**

At the Meeting, Shareholders will receive the annual audited comparative financial statements of the Corporation for the year ended December 31, 2023, together with the auditors' report thereon.

### **Election of Directors**

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at five and to elect five directors to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. There are currently five directors of the Corporation, each of whose term of office shall expire at the termination of the Meeting unless such director is re-elected.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at five and in favour of the election as directors of the five nominees hereinafter set forth:

- Ian Fraser
- Doug Porter
- Mark Cummings
- John Morgan
- Eugene Chen

The names and jurisdictions of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by each, the date each was originally elected or appointed a director of Fathom, and the principal occupation of each are set forth below. The information as to shares beneficially owned, or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the nominees as of the date hereof.

<b>Name, Municipality of Residence and Age</b>	<b>Principal Occupations during past five years</b>	<b>Director or Officer Since</b>	<b>Number and Percentage of Common Shares Beneficially Owned or Controlled Directly or Indirectly<sup>(1)</sup></b>
<b>Ian Fraser</b> Calgary, AB - Age 64	Chief Executive Officer of the Corporation since September 2022; Vice-President, Exploration of the Corporation since January 2021; Vice-President, Exploration of Sassy Gold Corp. (Formerly Sassy Resources Corporation) since April, 2020; and Independent Consulting Professional Geologist.	Jan 22, 2021	3,094,192 <sup>(2)</sup> 2.20%

<b>Doug Porter</b> Calgary, AB - Age 57	President, Secretary/Treasurer, CFO of the Corporation, Chartered Professional Accountant and Chartered Business Valuator.	Jan 22, 2021	1,268,250 0.90%
<b>Mark Cummings</b> <sup>(4)(5)</sup> Nobleton, ON - Age 62	Businessman.	Jan 22, 2021	1,576,167 1.12%
<b>John Morgan</b> <sup>(4)(6)</sup> Victoria, BC - Age 71	Independent Consultant and Corporate Director.	Jan 22, 2021	951,167 0.68%
<b>Eugene Chen</b> <sup>(4)</sup> Calgary, AB - Age 55	Corporate Finance, Securities and M&A Lawyer.	Nov 23, 2018	250,000 0.18%
Total Securities			<b>7,139,776</b>
			<b>Common Shares</b>
			<b>5.09%</b> <sup>(1)</sup>

**Notes:**

- (1) Percentage is based on 140,335,977 Common Shares issued and outstanding
- (2) 1,017,942 Common Shares are held by IF Consulting Inc., a private holding company owned by Mr. Fraser
- (3) 901,250 Common Shares are held by Porter Valuations & Financial Consulting Inc., a private holding company owned by Mr. Porter
- (4) Member of the Audit Committee and Member of the Corporate Governance and Compensation Committee
- (5) Chair of the Audit Committee
- (6) Chair of the Corporate Governance and Compensation Committee

**Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of Fathom and other than as disclosed below, no proposed director of Fathom is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Fathom), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Doug Porter was the Chief Financial Officer and a director of North Sur Resources Inc. ("**North Sur**") from January 12, 2011 until December 3, 2019. On May 8, 2017, North Sur was the subject of a cease trade order issued by the Alberta Securities Commission ("**ASC**") for failure to file its annual financial statements and related annual filings for the year ended December 31, 2016. North Sur completed a reorganization and recapitalization in 2020 and the cease trade order was fully revoked on February 24, 2020. As part of the reorganization, North Sur changed its name to Mindset Pharma Inc. and now trades on the CSE. Mr. Porter resigned his positions as CFO and director after the completion and filing of the 2016 financial statements for which the CTO had been issued.

Eugene Chen was a director of Blacksteel Energy Inc. when the ASC, British Columbia Securities Commission (“**BCSC**”) and the Ontario Securities Commission (“**OSC**”) issued cease trade orders on November 7, 2023, for failure to file its financial statements within the time frame designated under applicable securities legislation.

Eugene Chen was a director of Blacksteel Energy Inc. when the ASC, British Columbia Securities Commission (“**BCSC**”) and the Ontario Securities Commission (“**OSC**”) issued cease trade orders on October 20, 2020, for failure to file its financial statements within the time frame designated under applicable securities legislation. On December 17, 2020, the ASC and the OSC revoked their cease trade orders and on December 21, 2020, the BCSC revoked its cease trade order.

Eugene Chen was a director of CapGain Properties Inc. when the ASC issued a cease trade order on May 5, 2015, for failure to file its financial statements within the time frame designated under applicable securities legislation. A similar order had been issued by the BCSC on February 3, 2015. Mr. Chen resigned as a director of CapGain on December 31, 2017. Both of the cease trade orders were revoked on October 9, 2019.

To the knowledge of Fathom and other than as disclosed below, no proposed director of Fathom (a) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including Fathom) 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; or (b) has, within the ten 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.

### **Appointment of Auditors**

Unless otherwise directed, it is management's intention to vote proxies in favour of an ordinary resolution to appoint the firm of BDO Canada LLP, to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration as such.

### **Approval of Equity Incentive Plan**

The Corporation has previously approved an equity incentive plan (the “**Equity Incentive Plan**”) for officers, directors, employees and consultants, a copy of which is attached to this Information Circular as Schedule “A”. As required by the policies of the Canadian Securities Exchange, security compensation plans are now required to be approved by shareholders upon institution and every three years thereafter.

**“BE IT RESOLVED**, as an ordinary resolution of the Shareholders of Fathom Nickel Inc. (“**Fathom**”) that:

1. *the Equity Incentive Plan of Fathom, which provides for the grant of incentive securities to acquire, in the aggregate, up to 10% of the number of Common Shares of Fathom issued and outstanding from time to time, be and the same is hereby authorized and reapproved; and*



2. *any one director or officer of Fathom is authorized and directed, on behalf of Fathom, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under seal of Fathom or otherwise) that may be necessary or desirable to give effect to this resolution."*

Unless otherwise directed, the persons named in the form of proxy accompanying this Information Circular intend to vote **FOR** the approval of the foregoing resolution. As mentioned above, a full description of the Equity Incentive Plan is attached as Schedule "A".

## **INFORMATION CONCERNING THE CORPORATION**

### **Voting Shares and Principal Holders Thereof**

As at July 8, 2024, there were 140,335,977 Common Shares issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if there are not less than two (2) persons present at the Meeting holding or representing by proxy not less than five percent (5%) of the outstanding Common Shares.

### **Principal Securityholders**

To the knowledge of the directors and executive officers of the Corporation, as at July 8, 2024, no person or company beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than ten percent (10%) of the voting rights attached to any class of voting securities of the Corporation.

## **STATEMENT OF EXECUTIVE COMPENSATION**

This statement of executive compensation describes the compensation paid, made payable, awarded, granted, gave or otherwise provided during the financial year ended December 31, 2023 to each of the NEOs and each person that acted as a director of Fathom at any time during the last completed financial year in accordance with Form 51-102F6V of *National Instrument 51-102 - Continuous Disclosure Obligations*.

For the purposes of this form, unless otherwise noted, all dollar amounts are in Canadian dollars.

Director and named executive officer compensation, excluding compensation securities. The following table sets forth certain information regarding the compensation of each director and each Named Executive Officer for the three most recently completed financial years.

<b>TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Ian Fraser, Chief Executive Officer, Vice-President Exploration & Director	2023	132,000	Nil	Nil	Nil	Nil	132,000
	2022	136,200	Nil	Nil	Nil	Nil	136,200

	2021	127,252	Nil	Nil	Nil	Nil	127,252
Doug Porter Chief Financial Officer, President & Secretary/Treasurer	2023	132,000	Nil	Nil	Nil	Nil	132,000
	2022	136,200	Nil	Nil	Nil	Nil	136,200
	2021	129,252	Nil	Nil	Nil	Nil	129,252
John Morgan <sup>(1)(3)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Mark Cummings <sup>(1)(2)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Eugene Chen <sup>(1)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Brad Van Den Bussche, <i>Formerly</i> President, CEO & Director <sup>(4)</sup>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	122,800	214,200	Nil	Nil	Nil	337,000
	2021	159,732	Nil	Nil	Nil	Nil	159,732

**Notes:**

- (1) Member of the Audit Committee and Member of the Corporate Governance and Compensation Committee
- (2) Chair of the Audit Committee
- (3) Chair of the Corporate Governance and Compensation Committee
- (4) Mr. Van Den Bussche departed from the Corporation on August 31, 2022 to pursue other opportunities

During the year ended December 31, 2023, no management functions were performed by any person other than the directors or executive officers of the Corporation.

**Stock options and other compensation securities**

The following table sets forth all compensation securities granted or issued to each director and named executive officer by the Corporation or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

COMPENSATION SECURITIES				
Name	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Expiry Date
Ian Fraser	Restricted Share Units	35,000	March 25, 2021	N/A
	Stock Options <sup>(2)</sup>	225,000	February 6, 2022	February 6, 2027
	Stock Options <sup>(3)</sup>	1,325,000	February 28, 2023	February 28, 2028
Doug Porter	Restricted Share Units	25,000	March 25, 2021	N/A
	Stock Options <sup>(2)</sup>	225,000	February 6, 2022	February 6, 2027
	Stock Options <sup>(3)</sup>	1,325,000	February 28, 2023	February 28, 2028
Eugene Chen	Stock Options <sup>(2)</sup>	75,000	February 6, 2022	February 6, 2027
	Stock Options <sup>(3)</sup>	750,000	February 28, 2023	February 28, 2028
Mark Cummings	Stock Options <sup>(2)</sup>	75,000	February 6, 2022	February 6, 2027
	Stock Options <sup>(3)</sup>	750,000	February 28, 2023	February 28, 2028
John Morgan	Stock Options <sup>(2)</sup>	75,000	February 6, 2022	February 6, 2027
	Stock Options <sup>(3)</sup>	750,000	February 28, 2023	February 28, 2028

**Notes:**

- (1) The Restricted Share Units ("RSUs") have a vesting schedule as follows: 34% March 15, 2022, 33% March 15, 2023 and 33% March 15, 2024.
- (2) The Stock Options have a vesting schedule as follows: 100% at issuance date of February 6, 2022 and are exercisable at a price of \$0.21 per share.
- (3) The Stock Options have a vesting schedule as follows: 34% February 28, 2023, 33% February 28, 2024 and 33% February 28, 2025 and are exercisable at a price of \$0.085 per share.

The following table sets forth each exercise by a director or named executive officer of compensation securities during the most recently completed financial year.

<b>Exercise of Compensation Securities by Directors and NEOs</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price per security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date (\$)</b>
Ian Fraser, Chief Executive Officer, Vice President-Exploration & Director	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
	RSU	N/A	N/A	N/A	N/A	N/A	N/A
John Morgan, Director	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
Mark Cummings, Director	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
Eugene Chen, Director	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
Doug Porter, Chief Financial Officer, President & Secretary/Treasurer	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
	RSU	N/A	N/A	N/A	N/A	N/A	N/A

### **Securities Authorized for Issuance Under Compensation Plans**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options and rights</b>	<b>Weighted-average exercise price of outstanding options and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the prior two columns)</b>
Equity incentive plans approved by securityholders	6,460,000	N/A	N/A
Equity incentive plans not approved by securityholders	NIL	N/A	N/A
<b>TOTAL</b>	<b>6,460,000</b>	<b>\$0.13</b>	<b>NIL</b>

### **Equity Incentive Plan**

The Board of Directors of the Corporation adopted the Equity Incentive Plan on March 25, 2021 and it was approved by the shareholders at the Corporation's Annual and Special Meeting of Shareholders held on November 16, 2022. The purpose of the Equity Incentive Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees,

management company employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. The Equity Incentive Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Corporation's Common Shares issued and outstanding at the time such securities are granted. The Equity Incentive Plan will be administered by the Corporation's Board of Directors, which will have full and final authority with respect to the granting of all options thereunder.

The maximum number of Common Shares reserved for issuance, in the aggregate, under the Equity Incentive Plan and all other security-based compensation arrangements of the Corporation will be 10% of the aggregate number of outstanding Common Shares from time to time (calculated on a non-diluted basis and not including Common Shares issuable pursuant to prior options granted by the Corporation). Additionally, under the terms of the Equity Incentive Plan: (i) the aggregate number of Common Shares reserved for issuance to insiders (as a group) at any point in time may not exceed 10% of the Corporation's issued and outstanding Common Shares; and (ii) the issuance to insiders (as a group), within a one-year period, of an aggregate number of Common Shares may not exceed 10% of the Corporation's issued and outstanding Common Shares.

The Equity Incentive Plan will be administered by the Board, which may delegate authority over the administration and operation of the Equity Incentive Plan to a committee.

The following are certain material terms with respect to stock options:

- each stock option granted under the Equity Incentive Plan shall be evidenced by an award agreement;
- no stock option shall be exercisable after ten years from the date it was first granted or such shorter period as set out in the award agreement;
- the exercise price for stock options shall be fixed by the Board, but under no circumstances will it be less than 100% of the fair market value of the Common Shares as of the date the stock options are granted;
- vesting period for stock options will be as set forth in each award agreement; and
- no term may exceed ten years, subject to earlier termination in the event the holder ceases to be an officer, director, employee or consultant of the Corporation or if the Board determines, in its sole discretion, to accelerate the expiry time in connection with a change of control or specified events as described in the Equity Incentive Plan.

The following are certain material terms with respect to the restricted awards, namely, restricted share units and deferred share units:

- each restricted award (as the case may be) granted under the Equity Incentive Plan shall be evidenced by an award agreement;

- the vesting periods for each restricted award will be as set forth in the respective award agreement;
- the Corporation shall maintain an RSU Account or deferred share unit (“**DSU**”) Account (as applicable) for each participant;
- deferred share units are only available for grant to the directors of the Corporation; and
- both restricted share units and deferred share units may be settled in Common Shares (either issued from treasury or purchased in the open market), cash, or a combination of shares and cash.

With respect to all awards, namely, stock options, restricted share units and deferred share units:

- except as otherwise provided by the Equity Incentive Plan, upon the occurrence of a change of control, all outstanding stock options shall become immediately exercisable with respect to 100% of the Common Shares subject to such stock options, and the restricted period applicable to the restricted awards shall expire immediately with respect to 100% of the outstanding restricted awards; and
- awards granted under the Equity Incentive Plan are not assignable or transferable, other than for normal estate settlement purposes.
- The Board may, in its sole discretion, suspend or terminate the Equity Incentive Plan at any time or from time to time and/or amend or revise the terms of the Equity Incentive Plan or of any award granted under the Equity Incentive Plan and any award agreement relating thereto provided that such suspension, termination, amendment, or revision shall:
- not adversely alter or impair any award previously granted except as permitted by the terms of the Equity Incentive Plan;
- be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Canadian Securities Exchange; and
- be subject to shareholder approval, where required by law, the requirements of the Exchange or the Equity Incentive Plan.

### **Employment, consulting and management agreements**

The Corporation entered into a management consulting agreement effective March 15, 2021 with Kaybri Resource Management Ltd. whereby Mr. Van Den Bussche agreed to act as Chief Executive Officer of the Corporation and, in consideration of which, the Corporation agreed to pay him \$15,000 per month. On August 31, 2022, Mr. Van Den Bussche departed from the Corporation to pursue other opportunities and, as a result, the independent contractor agreement between Kaybri Resource Management Ltd. and the Corporation was terminated.

The Corporation entered into a management consulting agreement effective March 15, 2021 with IF Consulting Inc. whereby Mr. Fraser agreed to act as Vice President, Exploration of the

Corporation and, in consideration of which, the Corporation agreed to pay him \$12,000 per month. On September 1, 2022 Mr. Fraser's management role was expanded to also include Chief Executive Officer.

The Corporation entered into a management consulting agreement effective March 15, 2021 with Porter Valuations & Financial Consulting Inc. whereby Mr. Porter agreed to act as Chief Financial Officer of the Corporation and, in consideration of which, the Corporation agreed to pay him \$11,000 per month. On September 1, 2022 Mr. Porter's management role was expanded to also include President.

The following is a summary of the management consulting agreements (collectively, the "**Consulting Agreements**") between the Corporation Kaybri Resource Management Ltd., IF Consulting Inc. and Porter Valuations & Financial Consulting Inc. (the "**Consultants**") which, except for the terms related to compensation set out above, are substantially similar except as otherwise identified below.

#### Voluntary Termination

In the event a Consulting Agreement is voluntarily terminated by the Consultant, provided that they provide the requisite written notice of termination, they will be entitled to accrued but unpaid fees and expenses to the date of such termination. The Corporation may waive the requisite written notice of termination, in whole or in part.

#### Death

If a Consulting Agreement is terminated by reason of death of the principal of the Consultant, the Corporation shall pay to the Consultant an amount equal to they will be entitled to accrued but unpaid fees and expenses to the date of such termination.

#### Disability

If a principal of the Consultant becomes permanently incapacitated and is unable to provide services for the periods specified in the Consulting Agreement, the Consulting Agreement may be terminated by the Corporation by providing them with the following:

- (a) if termination occurs on or before the two-year anniversary of the Consulting Agreement, a lump sum payment equal to three times the monthly fee payable to the Consultant pursuant to the Consulting Agreement; or
- (b) if termination occurs after the two-year anniversary of the Consulting Agreement, a lump sum payment equal to six times the monthly fee payable to the Consultant pursuant to the Consulting Agreement.

If there is a dispute regarding their ability to perform substantially all of their regular duties or the existence or continuation of their disability, the Corporation may, at its sole expense, require the principal of the Consultant to submit to an examination by a medical doctor licensed to practice medicine, such examinations to be conducted not more frequently than once in any thirty 30-day period.

#### Termination for Material Default

If a Consulting Agreement is terminated for "material default" (as that term is used in the Consulting Agreements), then the Corporation shall pay to the Consultant any undisputed

fees earned and the reimbursable expenses incurred up to the date of termination and no further amounts will be payable to the Consultant and the Consultant shall not be entitled to any additional bonus or incentive award, pro-rata or otherwise.

#### Termination for Good Reason or Without Cause

If the Consultant provides notice to terminate the Consulting Agreement for Good Reason (as that term is defined in the Consulting Agreement) or if the Corporation terminates the Consulting Agreement for a reason other than material default by, death or permanent incapacity of the Consultant then the following provisions shall apply:

- (a) the Corporation shall pay to the Consultant any undisputed fees earned and the reimbursable expenses incurred up to the date of termination;
- (b) the Corporation shall pay to the Consultant a lump sum payment equal to the monthly fees payable to the Consultant multiplied by a number of months equal to twelve months, plus one month per full or partial year of service completed by the Contractor with the Company, to a combined maximum of twenty-four months (the "**Termination Period**") and
- (c) the Principal shall be entitled to any benefits provided under the Consulting Agreement for a period of one year from the termination date.

#### Non-Competition

In the event that the Consultant provides notice to terminate the Consulting Agreement for Good Reason (as that term is defined in the Consulting Agreement) or if the Corporation terminates the Consulting Agreement for a reason other than material default by, death or permanent incapacity of the Consultant, then the Consultant shall be subject to a non-competition provision that prohibits the Consultant from being involved with any mineral exploration, exploitation or producing entity involved with nickel, nickel-copper or nickel-copper platinum group element exploration, extraction or production in Canada for a period of time equal to the Termination Period.

#### Change of Control

If the Consultant provides notice of resignation within 180 days after a Change of Control (as that term is defined in the Consulting Agreement) the following provisions shall apply:

- (a) the Corporation shall pay to the Consultant any undisputed fees earned and the reimbursable expenses incurred up to the date of termination;
- (b) the Corporation shall pay to the Consultant a lump sum payment equal to the monthly fees payable to the Consultant multiplied by a number of months equal to twelve months, plus one month per full or partial year of service completed by the Contractor with the Company, to a combined maximum of eighteen months; and
- (c) the Principal shall be entitled to any benefits provided under the Consulting Agreement for a period of one year from the termination date.



## **OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

The Corporation's executive compensation program is administered by the Corporate Governance and Compensation Committee ("**CGCC**"). The CGCC consists of John Morgan (Chair), Mark Cummings and Eugene Chen. Except for Eugene Chen, all of the members of the CGCC are independent within the meaning of NI 52-110.

The CGCC's responsibilities include reviewing and making recommendations to the Board of Directors with respect to adequacy and the form of compensation to all executive officers and directors of the Corporation, making recommendations to the Board of Directors in respect of granting of stock options and RSUs to management, directors, officers and other employees and consultants of the Corporation, and monitoring the performance of the Corporation's executive officers.

Executive compensation awarded to the named executive officers consists of three components: (i) management fees; (ii) restricted share units; and (ii) stock options. The Corporation does not presently have a long-term incentive plan for its named executive officers. There is no policy or target regarding allocation between cash and noncash elements of the Corporation's compensation program.

In setting compensation rates for named executive officers, the Corporation compares the amounts paid to them with the amounts paid to executives in comparable positions at other comparable companies. The Corporation's compensation payable to the named executive officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each named executive officer and varies with the amount of time spent by each named executive officer in carrying out his or her functions on behalf of the Corporation. The grant of RSUs and stock options, as a key component of the executive compensation package, enables the Corporation to attract and retain qualified executives. Stock option grants and RSUs are based on the total equity incentives available under the Equity Incentive Plan. In granting stock options and RSUs, the Board of Directors reviews the total equity incentives available under the Equity Incentive Plan and recommends grants to newly retained executive officers at the time of their appointment and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options and RSUs held by an executive are taken into account when determining whether and how new equity incentive grants should be made to the executive. The exercise periods are to be set at the date of grant. RSUs and stock option grants may contain vesting provisions in accordance with the Equity Incentive Plan.

Due to the Corporation being a junior mining issuer and having limited financial resources, compensation is not tied to performance criteria or goals. The Corporation is unaware of any significant events that have significantly affected compensation of its management team and directors.

### Pension

The Corporation does not provide any pension benefits for directors or executive officers.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table sets forth information about compensation paid to, or earned by, the Corporation's Named Executive Officers and directors during three most recently completed financial years.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and position	Year	Salary, consulting fee retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ian Fraser, Chief Executive Officer, Vice-President Exploration & Director	2023	132,000	Nil	Nil	Nil	Nil	132,000
	2022	136,200	Nil	Nil	Nil	Nil	136,200
	2021	127,252	Nil	Nil	Nil	Nil	127,252
Doug Porter Chief Financial Officer, President & Secretary/Treasurer	2023	132,000	Nil	Nil	Nil	Nil	132,000
	2022	136,200	Nil	Nil	Nil	Nil	136,200
	2021	129,252	Nil	Nil	Nil	Nil	129,252
John Morgan <sup>(1)(3)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Mark Cummings <sup>(1)(2)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Eugene Chen <sup>(1)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Brad Van Den Bussche, <i>Formerly</i> President, CEO & Director <sup>(4)</sup>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	122,800	214,200	Nil	Nil	Nil	337,000
	2021	159,732	Nil	Nil	Nil	Nil	159,732

**Notes:**

- (1) Member of the Audit Committee and Member of the Corporate Governance and Compensation Committee.
- (2) Chair of the Audit Committee.
- (3) Chair of the Corporate Governance and Compensation Committee.

(4) Mr. Van Den Bussche departed from the Corporation on August 31, 2022 to pursue other opportunities.

### **Indebtedness of Directors and Executive Officers**

There is not as of the date of this Information Circular, nor has there been since inception on November 23, 2018 any indebtedness of any Director, executive officer, senior officer, employee or any former director, executive officer, employee or senior officer or any associate of any of them, to or guaranteed or supported by the Corporation either pursuant to an employee stock purchase program of the Corporation or otherwise, and no such individual is or has been indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding by the Corporation.

### **AUDIT COMMITTEE**

#### **Audit Committee Charter**

The Board of Directors has adopted a charter delineating the Audit Committee's responsibilities, a copy of which is attached to this Information Circular as Schedule "B".

The mandate of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight obligations, including the responsibility: (1) to identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation; (2) to monitor the integrity of our financial reporting process and our internal accounting controls regarding financial reporting and accounting compliance; (3) to oversee the qualifications and independence of our external auditor; (4) to oversee the work of our financial management and external auditor; and (5) to provide an open avenue of communication between the external auditors, the Board of Directors and management.

#### **Composition of the Audit Committee**

<b>Name</b>	<b>Independent</b>	<b>Financially Literate</b>
Eugene Chen	No	Yes
Mark Cummings (Chair)	Yes	Yes
John Morgan	Yes	Yes

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements, and have an understanding of internal controls. The members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

*Eugene Chen - Age 55, Director*

Mr. Chen is a Partner at McLeod Law LLP with over 25 years of experience as a securities, corporate finance and mergers and acquisitions lawyer and has worked in numerous national

and international firms. He is a trusted advisor for emerging and growth-oriented companies on corporate finance, securities and mergers & acquisition matters. Mr. Chen has been a director of several public and private companies. Mr. Chen holds a Bachelor of Science from the University of Alberta and a Bachelor of Laws from the University of British Columbia.

*Mark Cummings - Age 62, Director*

Mr. Cummings brings more than 35 years of financial, operational and general management experience to the mining industry. He obtained a Bachelor of Commerce (Honours) from the University of Manitoba and is a Chartered Professional Accountant (CPA, CA). Mr. Cummings is currently President & CEO of Zavida Coffee Company Inc., a private equity owned coffee roaster based in Toronto, Ontario. Prior to Zavida, Mr. Cummings acted as Chief Financial Officer of various private and private equity sponsored companies including the Kingsdown Group and the Kraus Group of Companies (subsequently Roberts Company Canada Limited). His diverse work experience also includes roles in insolvency and restructuring, as a Manager in Coopers & Lybrand's (now PwC) Financial Advisory Services practice.

*John Morgan - Age 71, Director*

Mr. Morgan is a retired mining executive with over 35 years of broad responsibility in managing both domestic and global mining operations. Most recently, he served as President, COO and Director of Atlantic Gold Corporation ("**Atlantic Gold**") where he was responsible for the acquisition, expansion, feasibility studies, and permitting of the Moose River gold property in Nova Scotia. The project was financed by a combination of debt and equity totaling over C\$159 million. In July 2019, Atlantic Gold was acquired by St. Barbara Ltd. (ASX: SBM), an Australian listed company, for C\$722 million. In 2011 while serving on the Board of Grande Cache Coal Corp., Mr. Morgan was appointed to the Special Committee to evaluate the Sale of Grande Cache to Winsway Coking Coal and Maubeni Corp. The total proceeds of the sale were approximately C\$1 billion. Previously, Mr. Morgan had twenty-one years of experience in the coal business with Manalta Coal Ltd., including appointment to the position of Vice President and General Manager. In 1997, Manalta was converted to an Income Trust generating C\$870 million for Manalta's shareholders. Mr. Morgan has a Bachelor of Science (Geology) from the University of British Columbia.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recent completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Pre-Approval Policies and Procedures

Under its charter, the Audit Committee is required to pre-approve all audit and non-audit services to be performed by the external auditors, together with approval of the engagement letter for all non-audit services and estimated fees thereof. The pre-approval process for non-audit services will also involve a consideration of the potential impact of such services on the independence of the external auditors.

External Auditor Fees

The aggregate estimated fees to be billed to the Corporation for the services provided by BDO Canada LLP, the Corporation's independent auditor for the year ended December 31, 2023 are as follows:

<b>Year Ending December 31</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2023	\$55,000	\$10,700	\$14,820	Nil

## **Corporate Governance**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of the Corporation. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

The Corporation's corporate governance practices are summarized below:

### Board of Directors

The Board of Directors is currently comprised of five (5) members. Under NI 52-110, an "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. Each of John Morgan and Mark Cummings are considered independent directors of the Corporation as they have no ongoing interest or relationship with the Corporation other than serving as a director. The Board of Directors has determined that: (i) Eugene Chen as a partner of McLeod Law LLP, the Corporation's legal counsel; and (ii) Ian Fraser and Doug Porter as executive officers of the Corporation are not considered independent directors.

Although a majority of the Board of Directors are not independent, the two independent directors, Mark Cummings and John Morgan, are Chairs of the Audit Committee and the CGCC respectively. Each of these committees are also comprised of a majority of independent directors and provide guidance and supervision on a number of the material activities of management.

In addition, although Eugene Chen is not independent, he is not a member of management and in consultation with Mr. Morgan and Mr. Cummings oversees the activities of the Corporation's executive officers. The Board of Directors have implemented controls with respect to approval on exploration budgets and set limits on general expenditures by management before requiring Board approval.

### **Directorships**

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

John Morgan - Braveheart Resources Inc. (TSXV)

- Eugene Chen
- Blacksteel Energy Inc. (Unlisted)
  - CleanGo Innovations Inc. (CSE)
  - Discover Wellness Solutions Inc. (CSE)
  - EDM Resources Inc. (TSXV)

### Orientation and Continuing Education

The Board of Directors provides an overview of the Corporation's business activities, systems and business plan to all new directors. New director candidates have free access to any of the Corporation's records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium- and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Corporation. The Directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

### Ethical Business Conduct

The Board of Directors believes good corporate governance is an integral component to the success of the Corporation and to meet responsibilities to shareholders. Generally, the Board of Directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

The Board of Directors is also responsible for applying governance principles and practices, and tracking development in corporate governance, and adapting "best practices" to suit the needs of the Corporation. Certain of the directors of the Corporation may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with and are subject to such other procedures and remedies as applicable under the ABCA.

### Nomination of Directors

The Board of Directors has not formed a nominating committee or similar committee to assist the Board of Directors with the nomination of directors for the Corporation. The Board of Directors considers itself too small to warrant creation of such a committee; and each of the directors has contacts he can draw upon to identify new members of the Board of Directors as needed from time to time.

The Board of Directors will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Corporation. As required, directors will recommend suitable candidates for consideration as members of the Board of Directors.

### Compensation

With respect to compensation, the CGCC will: (i) annually review the compensation structure and policies in respect of senior management and recommend any changes to such structure

and policies to the Board of Directors for consideration; (ii) recommend any changes to such compensation to the Board of Directors for consideration; and (iii) review the Corporation's incentive compensation and other equity-based plans and recommend changes to such plans to the Board of Directors when necessary, and exercise all authority of the Board of Directors with respect to the administration of such plans; and (iv) annually review directors' compensation and recommend any changes to the Board of Directors for consideration.

#### Corporate Governance and Compensation Committee

The Corporation has established a Corporate Governance and Compensation Committee. The members of the CGCC are John Morgan (Chair), Mark Cummings and Eugene Chen.

The Board of Directors has adopted a charter delineating the Corporate Governance and Compensation Committee's responsibilities, a copy of which is attached to this Information Circular as Schedule "C".

The CGCC will fulfill its responsibility by performing the following primary functions: (i) monitoring the composition and performance of the Board of Directors and its standing committees; (ii) overseeing the development and regular assessment of the Corporation's approach to corporate governance issues, and ensuring that such approach supports the effective functioning of the Corporation with a view to the best interests of the Corporation; (iii) overseeing the development and regular assessment of the Corporation's compensation structure for directors and members of senior management; and (iv) the development and regular assessment of the performance of senior management.

The CGCC will annually review and assess the performance goals and objectives relevant to the CEO, the CFO and other members of senior management and recommend any changes to such goals and objectives to the Board of Directors for consideration. The CGCC will also review and assess the Corporation's succession plan for the CEO, CFO and other members of senior management.

#### Assessments

As described above, the CGCC will be responsible for overseeing and assessing the functioning of the Board of Directors and the committees of the Board. The CGCC will annually review and evaluate and make recommendations to the Board of Directors with regard to the size, composition and role of the Board of Directors and its standing committees (including any additional committees to be established) and the methods and processes by which the Board

of Directors, committees and individual directors fulfill their duties and responsibilities, including the methods and processes for evaluating Board, committee and individual director effectiveness.

There are no other committees of the Board of Directors.

#### **INTEREST OF MANAGEMENT AND INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth below, there were no material interests, direct or indirect, of any director or executive officer of the Corporation, any proposed director(s), or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed

financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Other than as set forth herein, the directors and executive officers of the Corporation are not aware of any material interest, direct or indirect, by way of beneficial ownership or securities or otherwise, of any director or nominee for director, or any executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting other than the election of directors.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended December 31, 2023 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management's discussion and analysis are available on SEDAR+ and upon request from Doug Porter, Chief Financial Officer of the Corporation, (403) 870-4349 or [dporter@fathomnickel.com](mailto:dporter@fathomnickel.com).

### **OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.



**SCHEDULE "A"**  
**EQUITY INCENTIVE PLAN**

**FATHOM NICKEL INC.  
2021 EQUITY INCENTIVE PLAN**

**ARTICLE 1  
PURPOSE; ELIGIBILITY.**

- 1.1 General Purpose. The name of this plan is Fathom Nickel Inc., 2021 Equity Incentive Plan (the "**Plan**"). The purposes of this Plan are to (a) enable Fathom Nickel Inc. (the "**Corporation**"), and any Affiliate to attract and retain Employees (including officers of the Corporation), Consultants and Directors who will contribute to the Corporation's long term success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Corporation; and (c) provide incentive elements in overall compensation for Employees, Consultants and Directors to be market-competitive and promote the success of the Corporation's business.
- 1.2 Eligible Award Recipients. The persons eligible to receive Awards are the Employees, Consultants and Directors of the Corporation and its Affiliates and such other individuals designated by the Committee who are reasonably expected to become Employees, Consultants and Directors after the receipt of Awards.

**ARTICLE 2  
DEFINITIONS.**

- 2.1 In this Plan, unless the context otherwise requires, the following words and expressions have the following meanings:
- (a) "**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time;
  - (b) "**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Corporation or the Plan;
  - (c) "**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated;
  - (d) "**Award**" means any right granted under the Plan, including a Stock Option or a Restricted Award (which includes RSUs and DSUs);
  - (e) "**Award Agreement**" means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Corporation, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan;
  - (f) "**Beneficiary**" means, subject to Applicable Law, any Person designated by a Participant by written instrument filed with the Corporation in such form as may be approved from time to time by the Corporation, to receive any amount

payable under the Plan in the event of a Participant's death or, failing any such effective designation, the Participant's estate;

- (g) "**Blackout Period**" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by such person, including any period when such person has material undisclosed information, but excluding any period during which a regulator has halted trading in the Corporation's securities;
- (h) "**Board**" means the Board of Directors of the Corporation, as constituted at any time;
- (i) "**Business Day**" means any day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the city of Calgary, Alberta are not open for business;
- (j) "**Cause**" means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

- (i) if the Participant is a party to an employment or service agreement with the Corporation or an Affiliate and such agreement provides for a definition of Cause, the definition contained therein; or
- (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (a) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (b) material fiduciary breach with respect to the Corporation or an Affiliate; (c) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Affiliates; (d) gross negligence or willful misconduct with respect to the Corporation or an Affiliate; (e) material violation of Applicable Laws; or (f) the willful failure of the Participant to properly carry out his or her duties on behalf of the Corporation or to act in accordance with the reasonable direction of the Corporation.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (i) gross misconduct or neglect;
- (ii) willful conversion of corporate funds;
- (iii) false or fraudulent misrepresentation inducing the director's appointment; or

- (iv) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause;

- (k) **"Change in Control"** means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

- (i) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Corporation or any wholly owned subsidiary of the Corporation) thereafter acquires the direct or indirect "beneficial ownership" (as defined in the Securities Act) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the then issued and outstanding voting securities of the Corporation in any manner whatsoever, including, without limitation, as a result of a Take-over Bid, an issuance or exchange of securities, an amalgamation of the Corporation with any other Person, an arrangement, a capital reorganization or any other business combination or reorganization;
- (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation);
- (iii) the date which is 10 Business Days prior to the consummation of a complete dissolution or liquidation of the Corporation, except in connection with the distribution of assets of the Corporation to one or more Persons which were wholly- owned subsidiaries of the Corporation prior to such event;
- (iv) the occurrence of a transaction requiring approval of the Corporation's security holders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Corporation); or
- (v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization;

- (l) **"Committee"** means a committee of one or more members of the Board appointed by the Board to administer the Plan, provided, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board;

- (m) **"Common Share"** means a common share in the capital of the Corporation, or such other security of the Corporation as may be designated by the Committee from time to time in substitution thereof;
- (n) **"Constructive Dismissal"** means, unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal;
- (o) **"Consultant"** means any individual or entity that performs bona fide services to the Corporation or an Affiliate, other than as an Employee or Director;
- (p) **"Continuing Entity"** has the meaning ascribed thereto in Section 5.3(b);
- (q) **"Continuous Service"** means that the Participant's service with the Corporation or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Corporation or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Corporation to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence. The Committee or its delegate, in its sole discretion, may determine whether a Corporation transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding;
- (r) **"Control Period"** means the period commencing on the date of the Change in Control and ending 180 days after the date of the Change in Control;
- (s) **"Corporation"** means Fathom Nickel Inc., and any successor thereto;
- (t) **"Corporation Group"** means the Corporation and its subsidiaries and Affiliates;
- (u) **"Deferred Share Units"** or **"DSUs"** has the meaning set forth in Section 4.4;

- (v) "**DSU Settlement Date**" has the meaning set forth in Section 4.4;
- (w) "**Director**" means a member of the Board;
- (x) "**Disability**" means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:
  - (A) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill his or her obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
  - (B) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing his or her affairs. The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Corporation or any Affiliate in which a Participant participates;
- (y) "**Effective Date**" shall mean the date as of which this Plan is adopted by the Board;
- (z) "**Employee**" means any person, including an officer, employed by the Corporation or an Affiliate;
- (aa) "**Employer**" means, with respect to a Participant, the entity in the Corporation Group that employs the Participant or that employed the Participant immediately prior to his or her Termination Date;
- (bb) "**Exchange**" means the Canadian Securities Exchange;
- (cc) "**Expiry Date**" has the meaning set forth in Section 3.7(a);
- (dd) "**Fair Market Value**" means, as of any particular date, the value of the Common Shares as determined by the Committee in accordance with the following: (i) if the Common Shares are listed on the Exchange, the Fair Market Value shall be the price that is not lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant, and (b) the Grant Date or, (ii) if the Common Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per Common Share (in Canadian dollars) as determined in good faith by the Committee in its sole discretion, and such determination shall be conclusive and binding on all persons;
- (ee) "**Grant Date**" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution;

- (ff) "**ITA**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time;
- (gg) "**Leave of Absence**" means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to his or her Employer or any other entity in the Corporation Group;
- (hh) "**Notice of Exercise**" means a notice substantially in the form set out as a Schedule to the applicable Award Agreement, as amended by the Corporation from time to time;
- (ii) "**Option**" means a Stock Option granted to a Participant pursuant to the Plan;
- (jj) "**Option Exercise Price**" means the price at which a Common Share may be purchased upon the exercise of an Option;
- (kk) "**Option holder**" means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option;
- (ll) "**Participant**" means an eligible person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award;
- (mm) "**Permitted Reorganization**" means a reorganization of the Corporation Group in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization;
- (nn) "**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (oo) "**Plan**" means this Fathom Nickel Inc. 2021 Equity Incentive Plan, as amended and/or amended and restated from time to time;
- (pp) "**Restricted Award**" means RSU and DSU;
- (qq) "**Restricted Period**" has the meaning set forth in Section 4.7;
- (rr) "**Restricted Share Unit**" or "**RSU**" means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Corporation to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 4.1 to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Settlement Date Share Price that generally becomes vested, if at all;
- (ss) "**Retirement**" or "**Retire**" means, unless otherwise defined in the Participant's employment agreement, executive agreement or in the applicable Award Agreement, the normal retirement age of the Participant pursuant to the applicable benefit plans and regulations of the jurisdiction of his or her

employment or such earlier retirement age, with consent of the Employer, if applicable;

- (tt) **"Sale"** means the sale of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety to any person or entity (other than a wholly owned subsidiary of the Corporation) under circumstances such that, following the completion of such sale, the Corporation will cease to carry on an active business, either directly or indirectly through one or more subsidiaries;
- (uu) **"Securities Act"** means the *Securities Act* (Alberta) as amended;
- (vv) **"Service Year"** has the meaning ascribed to such term in Section 4.3;
- (ww) **"Settlement Date"** has the meaning ascribed to such term in Section 4.8;
- (xx) **"Settlement Date Share Price"** means the closing price of the Common Shares on the trading day prior to the Settlement Date or such date as the context requires;
- (yy) **"Share Unit"** means either an RSU or DSU as the context requires;
- (zz) **"Stock Option"** means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan;
- (aaa) **"Subsidiary"** means any entity that is a "subsidiary" for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time;
- (bbb) **"Substitute Award"** has the meaning set forth in Section 3.5(d);
- (ccc) **"Substitution Event"** means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise;
- (ddd) **"Take-Over Bid"** means a take-over bid, as defined in the Securities Act, which is a "formal bid" as defined in such Act, and which is made: (i) for all of the issued and outstanding Common Shares in the capital of the Corporation; or (ii) for all of the issued and outstanding Common Shares in the capital of the Corporation other than: (a) those Common Shares in the capital of the Corporation, which are then owned by the offeror under such Take-Over Bid; and/or (b) those Common Shares in the capital of the Corporation, which the offeror under such Take-Over Bid then otherwise has, directly or indirectly, the right to acquire;
- (eee) **"Termination Date"** a Participant's last day of active employment with the Employer (other than in connection with a Participant's transfer of employment to another Employer within the Corporation Group), regardless of whether the Participant's termination of employment was lawful, and does not include any period of statutory, contractual, common law or other reasonable notice of termination of employment or any period of salary continuance or deemed employment, or in the case of a Director, the date a director ceases to act a Director of the Corporation;



- (fff) **"Total Share Reserve"** has the meaning set forth in Section 3.5(a); and
- (ggg) **"Vesting Date"** means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

### **ARTICLE 3 ADMINISTRATION.**

- 3.1 Authority of Committee. The Plan shall be administered by the Committee or, in the Board's sole discretion, by the Board. Subject to the terms of the Plan, the Committee's charter (if any) and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:
- (a) to construe and interpret the Plan and apply its provisions;
  - (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
  - (c) to authorize any person to execute, on behalf of the Corporation, any instrument required to carry out the purposes of the Plan;
  - (d) to determine when Awards are to be granted under the Plan and the applicable Grant Date;
  - (e) from time to time, subject to the limitations set forth in this Plan, to determine those Participants to whom Awards shall be granted;
  - (f) to determine the number of Common Shares to be made subject to each Award, as applicable;
  - (g) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;
  - (h) to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a Participant's rights or increases a Participant's obligations under his or her Award, such amendment shall also be subject to the Participant's consent;
  - (i) to determine the duration and purpose of leaves of absences that may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Corporation's employment policies;
  - (j) to make decisions with respect to outstanding Awards that may become necessary upon a Change in Control or an event that triggers anti-dilution adjustments;

- (k) to interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;
- (l) subject to Applicable Laws, to delegate to any Director or officer such duties and powers relating to the Plan as it may see fit;
- (m) to seek recommendations from the chairman of the Board or from the Chief Executive Officer of the Corporation;
- (n) to appoint or engage a trustee, custodian or administrator to administer or implement the Plan; and
- (o) to exercise discretion to make any and all other determinations that it determines to be necessary or advisable for the administration of the Plan.

The Committee also may modify the purchase price or the exercise price of any outstanding Award, provided that if the modification effects a repricing, security holder approval shall be required before the repricing is effective.

- 3.2 Committee Decisions Final. All decisions made by the Committee pursuant to the provisions of the Plan shall be conclusive and binding on the Corporation and the Participants.
- 3.3 Delegation. The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and reconstitute the Board the administration of the Plan. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members, and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.
- 3.4 Committee Composition. Except as otherwise determined by the Board, the Committee shall consist of at least one independent Director. Within the scope of such authority, the Board or the Committee may delegate to a committee of one or more members of the Board who are not independent Directors the authority to grant Awards to eligible persons. Nothing herein shall create an inference that an Award is not validly granted

under the Plan in the event Awards are granted by a compensation committee of the Board that does not at all times consist solely of at least one independent Director.

### 3.5 Shares Subject to the Plan.

- (a) Subject to adjustment in accordance with Section 5.2, no more than 10% of the total issued and outstanding Common Shares from time to time (calculated on a non-diluted basis and not including any Common Shares issuable pursuant to any prior options granted by the Corporation), shall be available for the grant of Awards under the Plan (the "**Total Share Reserve**"). Any Common Shares granted in connection with Options shall be counted against this limit as one (1) share for every one (1) Option awarded. During the terms of the Options, the Corporation shall keep available at all times the number of Common Shares required to satisfy such Options.
- (b) Common Shares available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares reacquired by the Corporation in any manner.
- (c) Any Common Shares subject to an Option that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Option related will again be available for issuance under the Plan. Any Common Shares that again become available for future grants pursuant to this Section 3.5 shall be added back as one (1) share if such shares were subject to Options. Notwithstanding anything to the contrary contained herein, Common Shares subject to an Option under the Plan shall not again be made available for issuance or delivery under the Plan if such Common Shares are (i) tendered in payment of an Option, or (ii) delivered or withheld by the Corporation to satisfy any tax withholding obligation.
- (d) Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Corporation or with which the Corporation combines ("**Substitute Awards**"). Substitute Awards shall not be counted against the Total Share Reserve; provided that, Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as Stock Options. Subject to applicable stock exchange requirements, available shares under a security holder approved plan of an entity directly or indirectly acquired by the Corporation or with which the Corporation combines (as appropriately adjusted to reflect such acquisition or transaction) may be used for Awards under the Plan and shall not count toward the Total Share Reserve.

### 3.6 Eligibility.

- (a) Eligibility for Specific Awards. Awards may be granted to Employees, Consultants and Directors of the Corporation and its Affiliates and those other individuals whom the Committee determines are reasonably expected to become Employees, Consultants and Directors following the Grant Date.
- (b) Participation Limits. The grant of Awards under the Plan is subject to the following limitations:

- (i) no more than 10% of the outstanding Common Shares may be issued under the Plan alone or when combined with all other security-based compensation arrangements of the Corporation in any one-year period;
- (ii) no more than 5% of the outstanding Common Shares may be issued under the Plan alone or when combined with all other security-based compensation arrangements of the Corporation to any one Participant; and
- (iii) the number of Common Shares that may be:
  - (A) issued to insiders (as a group) within any one-year period, or
  - (B) issuable to insiders (as a group) at any time, in each case, under this Plan, alone or when combined with all other security-based compensation arrangements of the Corporation,cannot exceed 10% of the outstanding Common Shares.

3.7 Option Provisions. Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 3.7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include the substance of each of the following provisions:

- (a) Term. No Stock Option shall be exercisable after the expiration of ten years from the Grant Date or such shorter period as set out in the Award Agreement ("**Expiry Date**"), at which time such Option will expire. Notwithstanding any other provision of this Plan, each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end of the Blackout Period.
- (b) Exercise Price of a Stock Option. The Option Exercise Price shall be fixed by the Committee on the Grant Date and will not be less than the 100% of the Fair Market Value of the Common Shares as of the Grant Date, subject to all applicable regulatory requirements. The Option Exercise Price shall be stated and payable in Canadian dollars.
- (c) Manner of Exercise. A vested Option or any portion thereof may be exercised by the Option holder by delivering to the Corporation a Notice of Exercise signed by the Option holder or his or her legal personal representative, accompanied by payment in full of the aggregate Option Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, payable, to the extent permitted by Applicable Laws, either:
  - (i) in cash or by certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Committee; or
  - (ii) in the discretion of the Committee, upon such terms as the Committee shall approve, pursuant to a broker-assisted cashless exercise, whereby the Option holder shall elect on the Notice of Exercise to receive:

- (A) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the Option (or portion thereof being exercised) by a securities dealer designated by the Corporation, less the aggregate Option Exercise Price, any Applicable Withholding Taxes, and any transfer costs charged by the securities dealer to sell the Common Shares;
- (B) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the Option (or portion thereof being exercised) minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Corporation as required to realize cash proceeds equal to the aggregate Option Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Common Shares;
- (C) a combination of (A) and (B); or
- (D) in any other form of legal consideration that may be acceptable to the Committee.

Subject to Section 3.19, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Option holder as fully paid and non-assessable, following which the Option holder shall have no further rights, title or interest with respect to such Option or portion thereof.

- 3.8 Surrender of Option. As an alternative to the exercise of an Option pursuant to Section 3.7, an Option holder shall be entitled, at his or her election, to surrender for cancellation, unexercised, any vested Option that is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Option Exercise Price of the surrendered Option from the then current Fair Market Value of the Common Shares subject to the surrendered Option, less Applicable Withholding Taxes. The Committee has the sole discretion to consent to or disapprove of the election of the Option holder to surrender any vested Option pursuant to this Section 3.8. If the Committee disapproves of the election, the Option holder may (a) exercise the Option under Section 3.7, or (b) retract the request to surrender such Option and retain the Option. If the Committee consents to the election, the Corporation shall make the cash payment to the Option holder in respect of the surrendered Option within 30 days. Any cash payment in accordance with this Section 3.8 shall be payable in Canadian dollars.
- 3.9 Transferability of a Stock Option. A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Option holder only by the Option holder. Notwithstanding the foregoing, the Option holder may, by delivering written notice to the Corporation, in a form satisfactory to the Corporation, designate a third party who, in the event of the death of the Option holder, shall thereafter be entitled to exercise the Option.
- 3.10 Vesting of Options. The Committee or the Board, as applicable will determine the vesting period for Options granted from time to time under this Plan. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be

required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.

- 3.11 Termination of Continuous Service. Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 3.11 or pursuant to the terms provided in an Award Agreement or in an employment agreement, all rights to purchase Common Shares pursuant to an Option or to surrender such Option shall expire and terminate immediately upon the Option holder's Termination Date, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if such employment of the Option holder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Option holder of such termination for Cause.
- 3.12 Extension of Termination Date. An Option holder's Award Agreement may also provide that if the exercise of the Option following the termination of the Option holder's Continuous Service for any reason would be prohibited at any time because the issuance of Common Shares would violate Applicable Laws, then the Option shall terminate on the earlier of (a) the expiration of the term of the Option or (b) the expiration of a period after termination of the Option holder's Continuous Service that is 30 days after the end of the period during which the exercise of the Option would be in violation of such Applicable Laws.
- 3.13 Disability or Leave of Absence. Unless otherwise provided in an Award Agreement, in the event that an Option holder's Continuous Service terminates as a result of Disability or the Option holder is on a Leave of Absence, any Option held by the Option holder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time until the Option's Expiry Date.
- 3.14 Death. Unless otherwise provided in an Award Agreement, in the event an Option holder's Continuous Service terminates as a result of the Option holder's death, any Option held by the Option holder shall become fully vested and may be exercised or surrendered by the Beneficiary in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of (a) the Option's Expiry Date and (b) the first anniversary of the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.
- 3.15 Retirement. Unless otherwise provided in an Award Agreement, in the event an Option holder's Continuous Service terminates as a result of the Option holder's Retirement, any Option held by the Option holder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date; and (b) the third anniversary of the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.
- 3.16 Resignation. Unless otherwise provided in an Award Agreement, in the event an Option holder's Continuous Service terminates as a result of the Option holder's voluntary resignation, then:
  - (a) the unvested part of any Option held by the Option holder shall expire and terminate immediately on the Option holder's Termination Date; and

- (b) the vested part of any Option held by the Option holder may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

3.17 Termination Without Cause. Unless otherwise provided in an Award Agreement, in the event an Option holder's Continuous Service is terminated by the Employer for any reason other than for Cause, any Option held by the Option holder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date and (b) the 30th day after the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

3.18 Termination Following Change in Control. Unless otherwise provided in an Award Agreement, if a Change in Control occurs and the Option holder's employment with the Corporation Group is terminated:

- (a) by the Employer or by the entity that has entered into a valid and binding agreement with the Corporation and/or other members of the Corporation Group to effect the Change in Control at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for Cause; or
- (b) by the Option holder as a result of Constructive Dismissal, provided the event giving rise to the Constructive Dismissal occurs during the Control Period;

any Option held by the Option holder shall become fully vested and may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

3.19 Compliance with Applicable Laws. The Corporation's obligation to issue and deliver Common Shares under the Options are subject to: (a) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with Applicable Laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are

then listed. Options may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Options have been completed.

#### **ARTICLE 4 RESTRICTED SHARE UNITS AND DEFERRED SHARE UNITS.**

- 4.1 Restricted Share Units and Vesting. The Committee or the Board, as applicable will determine the vesting period for RSUs granted from time to time under this Plan.
- 4.2 RSU Award Agreement and RSU Account. Each RSU granted by the Committee shall be evidenced by an Award Agreement. An account to be known as the "**RSU Account**" shall be maintained by the Corporation for each Participant. On the Grant Date, the RSU Account will be credited with RSUs granted to the Participant of that date. RSUs that fail to vest or that are settled in accordance with Section 4.8 shall be cancelled and shall cease to be recorded in the Participant's RSU Account as of the date on which such RSUs are forfeited or cancelled under this Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs, such RSUs shall be recorded separately in the Participant's RSU Account.
- 4.3 RSU Service Year. Unless otherwise provided in the applicable Award Agreement, the Committee shall specify the year of service of the Participant in respect of which the RSU is granted to a Participant (the "**Service Year**"). In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of his or her services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Corporation will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 4.3, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.
- 4.4 Deferred Share Units and Vesting. The Committee may, from time to time, also grant deferred share units ("**DSU**") to Directors only with a deferral feature, whereby settlement is deferred beyond the vesting date until the occurrence of a future payment date or event as set forth in an Award Agreement. Each DSU shall vest immediately upon the grant of such DSUs but the settlement of the DSUs shall be deferred until the Director ceases to be a director of the Corporation, as applicable ("**DSU Settlement Date**").
- 4.5 DSU Award Agreement and DSU Account. Each DSU granted by the Committee shall be evidenced by an Award Agreement. An account to be known as the "DSU Account" shall be maintained by the Corporation for each Director. On the Grant Date, the DSU Account will be credited with DSUs granted to the Director of that date. DSUs that fail to vest or that are settled in accordance with Section 4.8 shall be cancelled and shall cease to be recorded in the Director's DSU Account as of the date on which such DSUs are forfeited or cancelled under this Plan or are settled, as the case may be. Where a Director has been granted one or more DSUs, such DSUs shall be recorded separately in the Director's DSU Account
- 4.6 Restrictions. RSUs and DSUs are subject to the following restrictions:
- (a) RSUs awarded to any Participant and DSUs awarded to a Director shall be subject to: (i) forfeiture until the expiration of the Restricted Period (as



provided below), and satisfaction of any applicable conditions during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs or DSUs are forfeited, all rights of the Participant or the Director, as applicable, to such RSUs or DSUs shall terminate without further obligation on the part of the Corporation; and (ii) such other terms and conditions as may be set forth in the applicable Award Agreement.

(b) The Committee shall have the authority to remove any or all of the restrictions on the RSUs and DSUs whenever it may determine that such action is appropriate.

4.7 Restricted Period. Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s). No such Vesting Date shall extend beyond three years from the Grant Date and all vesting conditions shall be such that the RSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement. No Restricted Award may be granted or settled for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

4.8 Settlement of RSUs and DSUs. On or within 60 days following the Vesting Date of a RSU (and in any event, no later than December 31 of the third year following the year in respect of which the RSU is granted) (the "**RSU Settlement Date**") or the DSU Settlement Date (the RSU Settlement Date and the DSU Settlement Date, collectively, the "**Settlement Date**"), and subject Section 5.1(e), the Corporation shall (i) issue to Participant or Beneficiary, as applicable, from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver, or cause to be delivered, to the Participant or Beneficiary, as applicable, Common Shares purchased in the open market equal to the number of vested Share Units held by the Participant as of the Settlement Date (rounded down to the nearest whole number), (iii) deliver to the Participant, , or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Settlement Date Share Price, or (iv) a combination of (i), (ii) and (iii). Notwithstanding the foregoing, if a Participant's Termination Date occurs prior to any applicable Settlement Date, the Share Units shall be settled by the Corporation by delivering to the Participant, Director or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant or the Director as at the Termination Date multiplied by the Settlement Date Share Price as at the Termination Date. Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant's or Director's RSU or DSU Account, as the case may be, shall be cancelled and the Participant, Director or Beneficiary, as applicable shall have no further rights, title or interest with respect thereto. Upon the expiration of the Restricted Period with respect to any outstanding RSUs, or at the expiration of the deferral period with respect to any outstanding DSUs, the Corporation shall deliver to the Participant, Director or his or her beneficiary, without charge, one Common Share for each such outstanding vested RSU or DSU ("**Vested Unit**"); provided, however,

that if explicitly provided in the applicable Award Agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Shares in lieu of delivering only Common Shares for Vested Units. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be (net of Applicable Withholding Taxes) equal to the Settlement Date Share Price as of the date on which the Restricted Period lapsed in the case of RSUs, or the delivery date in the case of DSUs.

## **ARTICLE 5 MISCELLANEOUS**

### 5.1 Miscellaneous.

- (a) Acceleration of Exercisability and Vesting. The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.
- (b) Shareholder Rights. Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 5.2 hereof.
- (c) No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Corporation or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Corporation or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without Cause or (ii) the service of a Director pursuant to the By-Laws of the Corporation or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Corporation or the Affiliate is incorporated, as the case may be.
- (d) Transfer; Leave of Absence. For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (i) a transfer of employment to the Corporation from an Affiliate or from the Corporation to an Affiliate, or from one Affiliate to another, or (ii) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.
- (e) Withholding Obligations. It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from his or her receipt of Common Shares or other

property pursuant to this Plan. In connection with the issuance of Common Shares pursuant to this Plan, a Participant shall, at the Participant's discretion:

- (i) pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;
- (ii) authorize a securities dealer designated by the Corporation, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
- (iii) make other arrangements acceptable to the Corporation to fund the Applicable Withholding Taxes.

5.2 Adjustments upon Changes in Capital. In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other change in the capital of the Corporation affecting Common Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (a) the maximum number of Common Shares subject to all Awards stated in Section 3.5; (b) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in this Plan; (c) the number or kind of shares or other securities subject to any outstanding Awards; (d) the Exercise Price of any outstanding Options; (e) the number of Share Units in the Participants' Share Unit Accounts; and (f) the vesting of RSUs and DSUs provided, however, that no adjustment will obligate the Corporation to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 5.2 shall be made in compliance with the ITA and subject to the rules of the Exchange, to the extent applicable. The Corporation shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

5.3 Effect of Change in Control.

- (a) Unless otherwise provided in an Award Agreement, notwithstanding any provision of the Plan to the contrary, in the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all outstanding Options shall become immediately exercisable with respect to 100% of the Common Shares subject to such Options, and/or the Restricted Period shall expire immediately with respect to 100% of the outstanding RSUs and DSUs.
- (b) Substitution Event or a Permitted Reorganization. Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Awards granted hereunder or to substitute or replace similar options or share units, as applicable for the Options and Share Units outstanding under the Plan on substantially the same terms and conditions as the Plan. For greater certainty, no consideration other than Continuing Entity options shall be received and the

excess of the aggregate fair market value of the securities of the Continuing Entity subject to the Continuing Entity options immediately after the substitution or replacement over the aggregate exercise price of such securities under the Continuing Entity options shall not exceed the excess of the aggregate Fair Market Value of the Common Shares subject to the outstanding Options immediately before such substitution or replacement over the aggregate Exercise Price of such Common Shares. Any such adjustment, substitution or replacement in respect of options shall, at all times, be made in compliance with the provisions the ITA. Any such adjustment, substitution or replacement in respect of Share Units shall, at all times, be such that the Plan and any Share Units granted hereunder comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto.

In the event that:

- (i) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) comply with the provisions of this Section 5.3;
- (ii) the Board determines, acting reasonably, that such substitution or replacement is not practicable;
- (iii) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results, under the ITA; or
- (iv) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

the outstanding Options shall become fully vested and may be exercised or surrendered by the Participant at any time after the Participant receives written notice from the Board of such accelerated vesting and prior to the occurrence of the Substitution Event or Permitted Reorganization; provided, however, that such vesting, exercise or surrender shall be, unless otherwise determined in advance by the Board, effective immediately prior to, and shall be conditional on, the consummation of such Substitution Event or Permitted Reorganization. Any Options that have not been exercised or surrendered pursuant to this section shall be forfeited and cancelled without compensation to the holder thereof upon the consummation of such Substitution Event or Permitted Reorganization. Unless otherwise determined by the Board prior to the date of the Substitution Event or Permitted Reorganization, as applicable, upon such Substitution Event or Permitted Reorganization, a pro rata proportion of the RSUs or DSUs credited to a Participant's or Director's Share Unit Account, which did not vest on or prior to the date of the Substitution Event or Permitted Reorganization, shall vest in accordance with the RSU and DSU vesting provisions, respectively, on the basis that the references to "Change in Control" in the RSU and DSU vesting provisions, respectively shall be read as "Substitution Event or Permitted Reorganization, as applicable". Any Share Units that have been credited to a Share Unit Account of a Participant or Director to whom this Section 5.3 applies and that do not vest pursuant to this Section 5.3 shall be terminated and forfeited. Notwithstanding any other provision of the Plan, in the event that Share Units vest, as contemplated in this Section 5.3, the Board may by resolution determine that the "Settlement Date Share Price" with respect to such Share Units shall be the price per

Common Share offered or provided for in the Substitution Event or Permitted Reorganization, as applicable.

- (c) The obligations of the Corporation under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Corporation, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Corporation and its Affiliates, taken as a whole.
- (d) In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least ten days' advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per Common Share received or to be received by other shareholders of the Corporation in the event. In the case of any Option with an exercise price that equals or exceeds the price paid for a Common Share in connection with the Change in Control, the Committee may cancel the Option without the payment of consideration for it.

#### 5.4 Amendment of the Plan and Awards.

- (a) Amendment of Plan and Awards. The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.
  - (i) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan or any Awards without seeking security holder approval:
    - (A) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
    - (B) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Exchange);
    - (C) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;
    - (D) amendments to the vesting provisions of this Plan or any Award;
    - (E) amendments to include or modify a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from the Plan maximum;

- (F) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and
  - (G) amendments necessary to suspend or terminate this Plan.
- (ii) Security holder approval will be required for the following types of amendments:
- (A) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 5.2;
  - (B) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised;
  - (C) any amendment that would result in the Exercise Price for any Option granted under this Plan being lower than the Fair Market Value at the Grant Date of the Option;
  - (D) any amendment to remove or to exceed the insider participation limit set out in Section 3.6(b)(iii);
  - (E) any amendment that reduces the Exercise Price of an Option or permits the cancellation and reissuance of an Option or other entitlement, in each case, other than pursuant to Section 5.2, Section 5.3(a), or Section 5.3(b);
  - (F) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 3.7(a);
  - (G) any amendment to the amendment provisions;
  - (H) any amendment that would allow for the transfer or assignment of Awards under this Plan, other than for normal estate settlement purposes; and
  - (I) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).
- (b) No Impairment of Rights. Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (i) the Corporation requests the consent of the Participant and (ii) the Participant consents in writing.

**ARTICLE 6**  
**GENERAL PROVISIONS**

6.1 General Provisions.

- (a) Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Corporation and/or its Affiliates.
- (b) Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.
- (c) Sub-Plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying Applicable Laws of various jurisdictions in which the Corporation intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.
- (d) Unfunded Plan. The Plan shall be unfunded. Neither the Corporation, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.
- (e) Recapitalizations. Each Award Agreement shall contain provisions required to reflect the provisions of Section 5.2.
- (f) Delivery. Upon exercise of a right granted under this Plan, the Corporation shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Corporation may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.
- (g) No Fractional Shares. No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.
- (h) Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without

limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

- (i) Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Corporation during the Participant's lifetime.
- (j) Expenses. The costs of administering the Plan shall be paid by the Corporation.
- (k) Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.
- (l) Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.
- (m) Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.
- (n) Participant Information.
  - (i) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Corporation all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Corporation with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").
  - (ii) The Corporation may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Corporation in connection with the operation and administration of the Plan. The Corporation may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Corporation shall not disclose Participant Information except (a) as contemplated above in this Section 6.1(n), (b) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (c) for the purpose of complying with a subpoena, warrant or other order



by a court, Person or body having jurisdiction over the Corporation to compel production of the information.

- (o) Priority of Agreements. In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.
- 6.2 Effective Date of Plan. The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.
- 6.3 Termination or Suspension of the Plan. The Board may suspend or terminate the Plan at any earlier date pursuant to Section 5.4 hereof. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated, but Awards already granted may extend beyond that date.
- 6.4 Governing Law. The Plan shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

As adopted by the Board of Directors of Fathom Nickel Inc.

**SCHEDULE "B"**  
**AUDIT COMMITTEE CHARTER**

## CHARTER OF THE AUDIT COMMITTEE

### 1. PURPOSE

The purpose of the audit committee (the "**Committee**") of the board of directors (the "**Board**") of Fathom Nickel Inc. (the "**Corporation**") is to:

- (a) assist the Board in fulfilling its responsibility to oversee the Corporation's accounting and financial reporting processes and audits of the Corporation's financial statements;
- (b) review the Corporation's financial reports and other financial information, disclosure controls and procedures and internal accounting and financial controls;
- (c) review the Corporation's annual and interim financial statements, management's discussion and analysis and news releases relating to the financial performance, financial position or analysis thereon before public release;
- (d) serve as an independent and objective party to monitor the Corporation's financial reporting processes and internal control systems;
- (e) recommend to the Board the appointment of the external auditors, to be approved by the shareholders, as well as the compensation and retention (and where appropriate, replacement) of the external auditors;
- (f) oversee the work of the external auditor in preparing or issuing an audit report or related work, monitor the independence of the external auditor and pre-approve all auditing services and permitted non-audit services provided by the external auditor;
- (g) receive direct reports from the external auditor and resolve any disagreements between management and the external auditor regarding financial reporting;
- (h) review the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation; and
- (i) carry out the specific responsibilities set forth below in furtherance of this stated purpose.

### 2. COMPOSITION AND TERM

Committee members shall be appointed by the Board, and shall serve at the pleasure of the Board. Any member of the Committee may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. The Board shall designate one member as chair of the Committee (the "**Chair**").

The Committee shall be comprised of three or more directors, the majority of whom shall be "independent" and "financially literate", as required by and defined in National Instrument 52-110 – *Audit Committees* ("**NI 52 110**"), subject to any exceptions permitted under NI 52-110.

### 3. MANDATE AND RESPONSIBILITIES

The Committee's role is one of oversight of the integrity of the Corporation's accounting and financial reporting processes, including internal controls over financial reporting and disclosure control procedures. It is recognized that the Corporation's management is responsible for preparing the financial statements and notes thereto and that the Corporation's external auditor is ultimately accountable to the Board and the Committee, as representatives of the shareholders and other stakeholders, for providing an audit opinion on the financial statements and notes.

The mandate and responsibilities of the Committee are as follows:

- (a) Appointment of external auditor. The Committee shall have direct responsibility for overseeing the independence of the external auditor, recommending the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of any accounting firm selected to be the Corporation's external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Corporation, and to review the performance of the external auditors.
- (b) Appointment of Chief Financial Officer and internal auditor. The Committee shall participate in the identification of candidates for the positions of Chief Financial Officer and the manager of the Corporation's internal auditing function, if any, and shall advise management with respect to the decision to hire a particular candidate.
- (c) Accounting policies. The Committee shall review periodically with management and the external auditor the quality, as well as acceptability, of the Corporation's accounting policies, and discuss with the external auditor how the Corporation's accounting policies compare with those in the industry. The Committee shall discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles, including all critical accounting policies and estimates used, any alternate treatment of financial information that have been discussed with management, the consequences of use of such alternative treatments and the auditor's preferred treatment, as well as any other material communications with management.
- (d) Pre-approval of all audit services and permitted non-audit services. The Committee shall approve, in advance, all audit services and all permitted non-audit services to be provided to the Corporation by the external auditor, together with approval of the engagement letter for all non-audit services and estimated fees thereof; provided that any non-audit services performed pursuant to an exception to the pre-approval requirement permitted by applicable securities regulators shall not be deemed unauthorized and as permitted under the rules of professional conduct of the Chartered Professional Accountants of Alberta.
- (e) Annual audit. In connection with the annual audit of the Corporation's financial statements, the Committee shall:
  - (i) request from the external auditor a formal written statement outlining all relationships between the external auditor and the Corporation;
  - (ii) discuss with the external auditor any disclosed relationships and their impact on the external auditor's objectivity and independence, and take appropriate action to oversee the independence of the external auditor;
  - (iii) approve the selection and the terms of the engagement of the external auditor;
  - (iv) review with management and the external auditor the audited financial statements to be filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and review and consider with the external auditor the matters required to be discussed under applicable statements of auditing standards;
  - (v) perform the procedures set forth under the heading "Financial reporting procedures" below with respect to the annual financial statements;
  - (vi) review with the Corporation's counsel, external auditors and management any legal or regulatory matter that could have a significant impact on the Corporation's financial statements;

- (vii) review and make recommendations with respect to any litigation, claim or contingency that could have a material effect upon the financial position of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee; and
  - (viii) review with management and the external auditor the Corporation's critical accounting policies and estimates.
- (f) Financial reporting procedures. In connection with the Committee's review of each reporting of the Corporation's annual financial information, the Committee shall:
- (i) discuss with the external auditor whether all material correcting adjustments identified (if any) by the external auditor in accordance with IFRS and the rules of the applicable securities regulators, as may be amended from time to time, are reflected in the Corporation's financial statements;
  - (ii) review with the external auditor all material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences (if any);
  - (iii) review with management and the external auditor any significant financial or other arrangements of the Corporation which do not appear on the Corporation's financial statements and any transactions or courses of dealing with third parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Corporation's financial statements; and
  - (iv) resolve any disagreements, if any, between management and the external auditor regarding financial reporting.
- (g) Review of Interim Financial Statements and related documents. The Committee shall review the interim financial statements and related management's discussion and analysis with the auditor and management, and if satisfied that the interim financial statements and related management's discussion and analysis meet the applicable accounting and legal standards, recommend to the Board that it approve the interim financial statements and accompanying management's discussion and analysis.
- (h) Review of Other Documents. The Committee shall ensure all material public documents relating to the financial performance, financial position or analysis thereon are reviewed by the Committee or another appropriate committee, as designated by the Board. Such documents would include, but not be limited to, interim financial statements and the annual information form (if any). In certain cases, involving timing constraints to file disclosure documents, the Committee may designate the responsibility for review to any two members of the Committee. The Committee shall review and monitor practices and procedures adopted by the Corporation to ensure compliance with applicable listing requirements, laws, regulations and other rules, and where appropriate, make recommendations or reports thereon to the Board.
- (i) Insurance coverage. The Committee shall review and make recommendations regarding insurance coverage (annually or as may be otherwise appropriate).
- (j) Charter. The Committee shall review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

## **4. MEETINGS AND PROCEDURES**

### **4.1 Meetings**

The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Chair. The Committee shall meet as many times as it considers necessary to carry out its responsibilities effectively and shall, in any event, meet at least once per quarter.

### **4.2 Quorum**

Unless otherwise determined by the Committee, two or more members of the Committee shall constitute a quorum.

### **4.3 Attendance**

The Committee may invite such officers, directors or employees of the Corporation, external auditors, insurance agents and brokers, financial, technical or legal advisors, or other persons as it sees fit, from time to time, to attend at meetings of the Committee and to assist in the discussion of matters being considered by the Committee.

### **4.4 Chair**

The Chair shall preside at all meetings of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised. In case of an equality of votes on any matter voted on by the Committee, the Chair shall have a second casting vote.

### **4.5 Decisions**

Decisions of the Committee (by way of majority votes) shall be evidenced by resolutions passed at meetings of the Committee and recorded in the minutes of such meetings or by an instrument in writing signed by all of the members of the Committee.

### **4.6 Secretary and Minutes**

The Chair shall appoint a secretary for each meeting to keep minutes of such meeting. The minutes of the Committee will be in writing and duly entered into the books of the Corporation. The minutes of the Committee will be circulated to all members of the Board, redacted as may be determined necessary by the Chair to remove any sensitive personnel information not otherwise material to the Board.

### **4.7 Authority to Engage Advisors**

The Committee shall have the authority to engage, at the expense of the Corporation, such outside advisors as it determines necessary or advisable to carry out its duties, including legal, financial, tax, technical and accounting advisors, and establish the compensation of such advisors.

### **4.8 Reporting to the Board**

The Committee shall report to the Board on such matters and questions relating to the mandate and activities of the Committee as the Committee may deem appropriate or as the Board may from time to time request or refer to the Committee.

#### **4.9 Complaints**

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this regard, the Committee shall establish and maintain procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

#### **5. RESOURCES AND AUTHORITY**

The Committee is granted all authority required by NI 52-110, including without limitation the authority to:

- (a) investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Corporation;
- (b) engage independent legal, tax, accounting or other advisors to obtain such advice and assistance as the Committee determines necessary to carry out its duties and set and pay the compensation for any advisors so engaged; and
- (c) communicate directly with the external auditors (and internal auditors, if any).

The Committee may request any officer or employee of the Corporation or the Corporation's counsel or other advisors to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

The Corporation shall provide the Committee all appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and any external auditor, as well as for any ordinary administrative expenses of the Committee that it determines are necessary or appropriate in carrying out its responsibilities.

**This Charter is not intended to give rise to civil liability or legally binding obligation on the part of the Committee, the Corporation or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.**

As adopted by the Board of Directors of Fathom Nickel Inc.

**SCHEDULE "C"**

**CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE CHARTER**



**FATHOM NICKEL INC.**  
**(the "Corporation")**

**CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE CHARTER**

**1. MANDATE**

The Board of Directors of the Corporation (the "**Board**") has established a Corporate Governance and Compensation Committee (the "**Committee**") for the purposes of:

- (i) approving or providing the Board with recommendations relating to compensation of all directors and executive officers, succession plans for executive officers, human resources policies for executive officers, and administration of the Corporation's compensation and benefits plans; and
- (ii) to carry out the responsibilities delegated by the Board relating to developing and maintaining the Corporation's corporate governance policies.

**2. COMPOSITION**

The Board will in each year appoint a minimum of three (3) directors as members of the Committee. A majority of the members of the Committee shall be non-management directors and a majority shall be independent within the meaning of all applicable Canadian securities laws and the rules of the Canadian Securities Exchange (the "**Applicable Regulations**"); all of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

**3. RESPONSIBILITIES AND DUTIES**

The Committee will have the following duties:

**A. Executive Officers and Directors**

- Review, approve and report to the Board annually on management's succession plans for all executive officers, other than the Chief Executive Officer (the "**CEO**"), including specific development plans and career planning for potential successors;
- Review and recommend to the Board for approval the general compensation philosophy and guidelines for all directors and executive officers, including the CEO. This includes incentive plan design and other remuneration;
- Review and approve all employment, consulting or other compensation arrangements between the Corporation and any director or senior officer;
- Review and make recommendations to the Board with respect to all stock options granted under the Corporation's stock option plan;
- Review and recommend to the Board all other compensation, including salary, incentives other than options granted by the Committee under the stock option plan, benefits and other perquisites, of all directors and executive officers, except for the CEO; and
- Report on executive compensation as required in public disclosure documents.

**B. CEO**

Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those corporate goals and objectives, approve and report to the Board any grants of options to the CEO under the Corporation's stock option plan (the "**Plan**") based on this evaluation, and recommend to the Board the CEO's overall compensation level based on this evaluation, including salary, incentives, benefits and other perquisites.

Notwithstanding any provisions contained herein to the contrary, the CEO shall not be permitted to attend the Committee's deliberations or vote in relation to the CEO's compensation.

**C. Corporate Human Resources**

Establish compensation and recruitment policies and practices for the Corporation's executive officers, including establishing levels of salary, incentives, benefits and other perquisites provided to executives of the Corporation and its subsidiaries provided, however, that the compensation of individual executive officers, shall be subject to the Board's approval.

**D. Compensation Plans**

Administration of the Plan, and making recommendations of awards under the Plan, and, without limiting the foregoing, will have the following responsibilities with respect thereto:

- Report to the Board on all matters relating to the Plan;
  - Interpret and administer the Plan as provided in the Plan (and within this Charter);
  - Make recommendations to the Board of awards to eligible persons;
  - Make recommendations to the Board as to the exercise price, vesting terms, limitations, restrictions, and conditions of awards to eligible persons;
  - Make recommendations to the Board with respect to the amendment of the Plan;
  - Make recommendations to the Board to establish, amend and rescind any rules and regulations relating to the Plan;
  - Make determinations deemed necessary or desirable for the administration of the Plan and make such recommendations to the Board; and
  - Correct any deficiency, inconsistency or omission in the Plan.
- Administration of any other compensation and benefits plans, if and to the extent that such administration is delegated to the Committee by the Board.

**E. Corporate Governance**

- Develop and recommend to the Board a set of corporate governance principles and guidelines applicable to the Corporation, review these principles at least once a year, and to recommend any changes to the Board;
- Oversee the Corporation's corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the Board for approval

any changes to the documents, policies and procedures in the Corporation's corporate governance framework;

- Review and discuss with management disclosure of the Corporation's corporate governance practices, including information regarding the operations of the Committee and other Board committees, director independence and the director nominations process;
- Develop, subject to approval by the Board, a process for an annual assessment of effectiveness of the Board and its committees and oversee the conduct of this annual assessment; and
- Review the Board's committee structure and composition and make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chair annually.

**F. Outside Advisors**

- The Committee will have the power to engage and compensate, at the Corporation's expense, and with the approval of the Chair, a compensation consultant, legal counsel, other advisor or expert ("**Outside Advisor**") to the Compensation Committee as it deems necessary or advisable to permit it to carry out its duties and will notify the Board of its actions in this regard. The Committee may select an Outside Advisor to the Committee only after taking into consideration all relevant factors that affect the independence of an Outside Advisor, which shall include:
  - The provision of other services to the Corporation by the person that employs the Outside Advisor,
  - The amount of fees received from the Corporation by the person that employs the Outside Advisor, as a percentage of the total revenue of the person that employs the Outside Advisor,
  - The policies and procedures of the person that employs the Outside Advisor that are designed to prevent conflicts of interest,
  - Any business or personal relationship of the Outside Advisor with a member of the Committee,
  - Any securities of the Corporation owned by the Outside Advisor, and
  - Any business or personal relationship of the Outside Advisor or the person employing the Outside Advisor with an executive officer of the Corporation; and
- The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of Outside Advisors.

**G. Public Disclosure**

- The Committee shall review all executive compensation disclosure before the Corporation publicly discloses this information.

**H. Annual Review**

- The Committee will annually review and reassess the adequacy of this Charter and recommend updates to this Charter and will receive approval of all changes from the Board.

## **I. Shareholder Engagement**

- The Committee Chair will participate in shareholder engagement regarding matters arising in respect to the Committee's responsibilities.

## **J. General**

- Report to the Board on the activities of the Committee, including any decisions and action taken by the Committee.
- Perform any other activities as are consistent with this Charter, the Corporation's by-laws, applicable legislation, guidelines and practices as the Committee or the Board deems necessary or appropriate for the fulfilment of the Committee's duties and responsibilities.

## **4. CHAIR**

The Board shall designate one Committee member to act as the chair of the Committee (the "**Chair**"). In the Chair's absence, the Committee may select another member to act as Chair by a majority vote in order to transact business at a meeting of the Committee. The Chair will not have a casting vote.

The Chair shall lead all Committee meetings, ensure the fulfillment of the Committee's mandate and report on Committee activities to the Board.

## **5. MEETINGS**

The Committee will meet as often as is required to fulfill its responsibilities or at a minimum not less than once per year at the request of its Chair and may also meet at any other time or times at the request of any member of the Committee. Notices calling meetings will be sent to all Committee members, to the CEO of the Corporation, to the Chair of the Board and to all other directors.

The CEO of the Corporation and, to the extent the Chair of the Board is not otherwise a member of the Committee, the Chair, and all other directors who are not members of the Committee may attend all meetings of the Committee in an ex-officio capacity and will not vote. In-camera sessions will be held during, or after, every committee meeting (including special meetings) for which any guests including non-independent directors, shall be asked to leave. The CEO shall not attend in-camera sessions of the Committee unless his/her presence is deemed appropriate for a portion of the in-camera session, after which the CEO will be requested to leave.

## **6. QUORUM**

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee, present in person, by teleconference, or by videoconference, or other means of communication that enables all persons attending the meeting to hear and communicate, or by any combination of the foregoing, will constitute a quorum.

## **7. REMOVAL AND VACANCY**

A member may resign from the Committee and may also be removed and replaced at any time by the Board and will automatically cease to be a member as soon as the member ceases

to be a director of the Corporation. The Board will fill vacancies in the Committee by appointment from among the directors of the Board in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members may exercise all its powers.

#### **8. SECRETARY AND MINUTES**

The Chair will appoint a member of the Committee or other person to act as Secretary of the Committee for the purposes of a meeting of the Committee. The minutes of the Committee will be in writing and duly entered into the books of the Corporation and will be circulated to all members of the Board.

As adopted by the Board of Directors of Fathom Nickel Inc.