

TERRA BALCANICA RESOURCES CORP.

**NOTICE OF ANNUAL GENERAL MEETING
OF
VOTING SECURITYHOLDERS**

TO BE HELD ON AUGUST 15, 2022

**MANAGEMENT INFORMATION CIRCULAR
As at July 11, 2022, except as otherwise indicated**



TERRA BALCANICA RESOURCES CORP.

250 – 200 Burrard St.
Vancouver, BC V6C 3L6

NOTICE OF ANNUAL GENERAL MEETING

AUGUST 15, 2022

TO THE VOTING SECURITYHOLDERS:

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) of the holders (each, a “**Voting Securityholder**”) of common shares (the “**Common Shares**”) of Terra Balcanica Resources Corp. (the “**Company**”) will be held on August 15, 2022 at the hour of 10:00 a.m. (Pacific time) at Suite 250, 200 Burrard Street, Vancouver, BC for the following purposes, namely:

1. to receive the audited financial statements of the Company for the financial year ended January 31, 2022, together with the auditor report thereon;
2. to appoint Kreston GTA LLP as the auditor of the Company for the ensuing year and to authorize the directors of the Company to fix their remuneration;
3. to determine the number of directors of the Company at six;
4. to elect six directors of the Company;
5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution to ratify and approve the Company’s 10% rolling stock option plan, as more particularly described in the accompanying management information circular (the “**Information Circular**”) and
6. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The board of directors of the Company (the “Board”) unanimously recommends that the Voting Securityholders vote FOR all of the matters to be considered at the Meeting, and it is the intention of the management designees named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote in favour of all resolutions.

Accompanying this Notice of Meeting are an Information Circular and a form of proxy (or a voting instruction form if you hold common shares through a broker or other intermediary). The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice of Meeting.

Only Voting Securityholders of record at the close of business on July 11, 2022 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment(s) or postponement(s) thereof.

Voting Securityholders may attend the Meeting in person or may be represented at the Meeting by proxy. Voting Securityholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date and sign the enclosed Instrument of Proxy and to mail it to or deposit it with the Corporate Secretary of the Company, c/o Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com prior to 10:00 a.m., Pacific time, on August 11, 2022, being at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment(s) or postponement(s) thereof. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment(s) or postponement(s) thereof. A person appointed as proxy holder need not be a shareholder of the Company.

YOU ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT YOUR RISK.

DATED at Vancouver, BC, the 11th day of July, 2022

By Order of the Board of Directors

“Aleksandar Miskovic”

President, CEO and Director

TERRA BALCANICA RESOURCES CORP.

Annual General Meeting of Voting Securityholders to be held on August 15, 2022

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Terra Balcanica Resources Corp. (the “Company”) for use at the Meeting of the Voting Securityholders. The Company will be hosting its Meeting in person at Suite 250, 200 Burrard Street, Vancouver, BC. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by any member of the Board, officers and regular employees of the Company, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Company.

Appointment of Proxy holders

The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the directors of the Company and have indicated their willingness to represent as proxy the Voting Securityholder who appoints them. A Voting Securityholder has the right to designate a person (whom need not be a Voting Securityholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by crossing out the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Company. Such Voting Securityholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the Voting Securityholder’s common shares in the capital of the Company (the “**Common Shares**”) are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the Voting Securityholder, or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a Voting Securityholder personally attending the Meeting and voting his or her Common Shares.

The persons named in the Instrument of Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Instrument of Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Instrument of Proxy will vote the Common Shares represented by the Instrument of Proxy for the approval of such matter.

A proxy will not be valid unless it is deposited with our transfer agent Computershare, (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 am (Pacific Time) on August 11, 2022 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.

Revocability of Proxy.

A Voting Securityholder who has given a proxy may revoke it as to any matter upon which a vote has not already

been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Voting Securityholder or by his or her authorized attorney in writing, or, if the Voting Securityholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Company or c/o Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or www.investorvote.com at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) or postponement(s) thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any adjournment(s) or postponement(s) thereof. In addition, a proxy may be revoked by the Voting Securityholder personally attending the Meeting and voting his or her Common Shares.

Advice to Beneficial Securityholder

The information set forth in this section is of significant importance to many Voting Securityholders, as a substantial number of Voting Securityholders do not hold Common Shares in their own name. Voting Securityholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in the Information Circular as “**Beneficial Securityholders**”) should note that only proxies deposited by Voting Securityholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Securityholder by a broker, those Common Shares will, in all likelihood, *not* be registered in the Voting Securityholder’s name. Such Common Shares will more likely be registered under the name of the Voting Securityholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Securityholder.

Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Securityholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

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

Although a Beneficial Securityholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of its broker, a Beneficial Securityholder may attend the Meeting as proxy holder for the registered Voting Securityholder and vote the Common Shares in that capacity. **A Beneficial Securityholder who wishes to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered Voting Securityholder should enter its own name in the blank space on the form of proxy**

provided and return the same to its broker (or the broker's agent) in accordance with the instructions provided by such broker.

Beneficial Securityholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Beneficial Securityholders who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

The Company is taking advantage of NI 54-101 which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form from Computershare. The voting instruction form is to be completed and returned to Computershare in the envelope provided or by facsimile, or a NOBO has the option to submit their proxy vote either by telephone or via the internet in the manner described in the voting instruction form. Computershare tabulates the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by those voting instruction forms.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company will not pay for intermediaries to deliver the Notice of Meeting, Information Circular and VIF to OBOs, and OBOs will not receive the Meeting materials unless their intermediary assumes the cost of the delivery.

These Beneficial Securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner and the Company or its transfer agent has sent these materials directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All reference to Voting Securityholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered Voting Securityholders unless specifically stated otherwise.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the Business Corporations Act (British Columbia) (the “BCA”), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Voting of Proxies and Exercise of Discretion by Proxy holders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the Instrument of Proxy will be voted in accordance with such instructions. The management designees named in the accompanying Instrument of Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Voting Securityholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted “FOR” the proposed resolutions at the Meetings. The**

accompanying Instrument of Proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice of Meeting and with respect to other matters that may properly be brought before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Information Circular, the management of the Company knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice of Meeting.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who has held such a position since the beginning of the Company's last financial year or any proposed nominee for election as a director of the Company, nor any Associate or Affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting of Common Shares – General

The record date for the determination of Voting Securityholders entitled to receive notice of and to vote at the Meeting is July 11, 2022 (the “**Record Date**”). Only Voting Securityholders whose names are entered in the Company's register of Voting Securityholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value. On the Record Date, 73,512,223 Common Shares were issued and outstanding as fully paid and non-assessable.

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

Going Public Transaction

On June 3, 2022, the Company became a reporting issuer following receipt of its long form prospectus dated June 1, 2022 by securities regulators, and subsequently, the Company listed its Common Shares for trading on the Canadian Securities Exchange (the “CSE”). The Common Shares began trading on the CSE under the symbol “TERA” on June 20, 2022.

The following documents filed with the securities commissions or similar regulatory authority in British Columbia, Alberta, Ontario, Quebec and the Yukon are specifically incorporated by reference into, and form an integral part of, this Information Circular:

- Final Long Form Prospectus dated June 1, 2022, filed under the Company's SEDAR profile on June 3, 2022, including the Financial Statements of the Company for the years ended January 31, 2022 and December 31, 2020 and the Financial Statements of the Company from incorporation to January 31, 2021; and
- Filing Statement dated June 8, 2022, filed under the Company's SEDAR profile on June 16, 2022.

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Suite 250, 200 Burrard Street, Vancouver, BC V6C 3L6, telephone no. (604) 999-4136. These documents are also available via the internet under the Company's SEDAR profile at www.sedar.com.

Principal Holders of Common Shares

To the knowledge of the directors and senior officers of the Company, as at the date hereof, no single Voting Securityholder beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the votes attached to the Common Shares of the Company other than as set out below:

Name of Shareholder	Number of Common Shares⁽¹⁾⁽²⁾	Percentage of Common Shares⁽¹⁾⁽²⁾
Aleksandar Miskovic	9,000,000	12.24
Aleksandar Ilic	9,096,875	12.37

Notes:

(1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the shareholder listed above.

(2) Calculated on a non-diluted basis on the basis of 73,512,223 issued and outstanding Common Shares as at July 11, 2022.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and accountable to shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making. Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Company must disclose its approach to corporate governance which is as follows:

Board of Directors

In order to identify and manage risks, the Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the industry in which the Company operates. The Board is responsible for monitoring the Company’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board currently consists of five directors: Brandon Bonifacio, Giulio Bonifacio, Aleksandar Ilic, Aleksandar Miskovic and Kim Oishi. Mr. Stephen Latimer is nominated for election as director of the Company.

Messrs. Brandon and Giulio Bonifacio are independent directors, as defined in NI 58-101 and National Instrument 52-110 – Audit Committees (“**NI 52-110**”). If elected, Mr. Latimer will also be an independent director. Dr. Miskovic, as President and CEO of the Company, is an executive officer of the Company and, therefore, not independent. Mr. Oishi is not independent as defined by NI 52-110 due to his past role as sole director and officer of the Company, within the past three years. Mr. Oishi holds no current executive positions in the Company or any of its subsidiaries. Mr. Ilic is also not considered independent, by virtue of being in a material relationship with the issuer, due to his shareholdings being in excess of 10% of the voting securities of the Company, and additionally his arrangements through his wholly owned entity, Rockstone Group d.o.o Kac, which has contractual arrangements, including royalties, in respect of each of the Ceovishte mineral exploration project and the Kaludra mineral exploration project.

The Board meets for formal board meetings periodically on an ad hoc basis during the year on an as needed basis to review and discuss the Company’s business activities, to consider and, if thought fit, to approve matters presented to the Board for approval and to provide guidance to management. In general, management consults with the Board when deemed appropriate to keep the Board informed regarding the Company’s affairs. The Board facilitates the exercise of independent supervision over management through these various meetings.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will, in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Company, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

The directors do not hold meetings at which non-independent directors and members of management are not in attendance. However, the Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and are able to meet at any time without the non-independent director being present. At the present time, the Board facilitates the exercise of independent judgment in carrying out its responsibilities by carefully examining all material issues and relying heavily on the advice of outside counsel and other advisors in all appropriate circumstances.

Directorships

Name	Name and Jurisdictions of Reporting Issuer	Name of Trading Market	Position(s) Held	Term
Brandon Bonifacio	Nevgold Corp. (British Columbia)	TSX-V	President, CEO and Director	2021 to current
	Angold Resources Ltd. (British Columbia)	TSX-V	Director	2020 to current
	Cavalry Capital Corp. (British Columbia)	TSX-V	Director	2022 to current
Giulio T. Bonifacio	Nevgold Corp. (British Columbia)	TSX-V	Chairman and Director	2021 to current
	Candente Copper Corp. (British Columbia)	TSX	Executive Chairman and Director	2020 to current
	Sabre Gold Mines Corp. (Canada)	TSX	Director, President and CEO	2019 to current
	Cavalry Capital Corp. (British Columbia)	TSX-V	Director	2022 to current
Kim Oishi	Datable Technology Corporation (formerly 3TL Technologies Corp.)	TSX-V	Chairman of the Board, and Director	2011 to current
	X-Terra Resource Inc.	TSX-V	Director	2018 to current
	Valencia Capital Inc.	TSX-V	Officer	2020 to current

Orientation and Continuing Education

The Board ensures that each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation of the nature and operations of the Company's business will be necessary and relevant to each new director. All new directors receive a comprehensive orientation regarding the role of the Board, its committees and its directors and the nature and operation of the Company.

The Board takes the following measures to provide continuing education for its directors in order for them to maintain the skill and knowledge necessary to meet their obligation as directors:

- (a) The Company has not developed an official orientation or training program for new directors, but they are encouraged to communicate with other directors, officers and employees as needed. New directors will have the opportunity to become familiar with the Company with full access to

records, meeting with the auditors and various technical consultants. Orientation activities are tailored to the needs and expertise of each director and the overall needs of the Board. The Company does not have a formal program of continuing education for its directors, but encourages its directors to attend continuing education seminars at the Company's expense, subject to prior approval by management. The Company also liaises with its legal counsel and auditors to keep apprised of any developments and material changes to corporate governance and reporting policies affecting the Company and make the directors aware of any such developments and changes; and

- (b) in addition to regularly reporting, there is normally a technical presentation at Board meetings focusing on either a particular property or a summary of various properties. The question-and-answer portions of these presentations are a valuable learning resource for the non-technical directors.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics for its directors, officers, employees and consultants. The Board must comply with the conflict-of-interest provisions of the *BCA*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transaction and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

The Board has not appointed a nominating committee as the Board fulfills these functions. In order to identify new candidates for nomination to the Board, the Board considers the advice and input of the entire Board and outside advisors regarding:

- (a) the appropriate size of Board, the necessary competencies and skills of the Board as a whole and the competencies and skills of each director individually; and
- (b) the identification and recommendation of new individuals qualified to become a new Board member. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

Compensation

The Board as a whole currently determines the compensation for the Company's CEO on the basis of what, as a whole, the Board feels is suitable, primarily by comparison of the remuneration paid by other reporting issuers that the Board feels are within the same business of the Company. See "*Statement of Executive Compensation – Oversight and Description of Director and Named Executive Officer Compensation*".

Other Board Committees

The Company does not currently have any standing committees other than the Audit Committee.

Assessments

The entire Board will evaluate the effectiveness of the Board, its committees and individual directors. To facilitate this evaluation, each committee will conduct an annual assessment of its performance, consisting of a review of its charter, its performance as a whole and the performance of individual committee members.

AUDIT COMMITTEE

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee

The Company is required to have an audit committee. The general function of the Audit Committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Company's auditor.

Audit Committee Charter

The Audit Committee Charter is attached as Schedule A.

Composition of Audit Committee

The following are the current members of the Audit Committee:

Brandon Bonifacio	Independent	Financially literate ⁽¹⁾
Giulio T. Bonifacio	Independent	Financially literate ⁽¹⁾
Kim Oishi	Non-Independent ⁽²⁾	Financially literate ⁽¹⁾

(1) As defined by NI 52-110.

(2) Mr. Oishi is not independent as defined by NI 52-110 due to his past role as sole director and officer of the Company. Mr. Oishi holds no current executive positions in the Company or any of its subsidiaries.

Relevant Education and Experience

Giulio T. Bonifacio – Non-Executive Chairman and Director

Mr. Giulio Bonifacio is a Chartered Professional Accountant with over 35 years of experience in senior executive roles in the mining industry. Mr. Bonifacio is the Founder and former President & CEO and director of Nevada Copper Corp. since its inception in 2005 until his retirement in 2018. Among with his many accomplishments, Mr. Bonifacio has raised over \$700 million through equity and project debt financings as well as being involved in corporate transactions aggregating in excess of a billion dollars. Mr. Bonifacio has led and directed efforts at every stage of development including exploration, engineering, permitting and construction.

Brandon Bonifacio - Director

Mr. Bonifacio is a mining executive with expertise in project development, mergers and acquisitions, and project evaluations with over 10 years of experience. Mr. Bonifacio is currently President and CEO of Nevgold Corp., an exploration and development company listed on the TSX-V. He was the finance director of the Norte Abierto Joint Venture (Cerro Casale/Caspiche) in the Maricunga Region, Chile and a member of the corporate development team at Goldcorp Inc. (now Newmont Corporation). Mr. Bonifacio holds a MSc - Mining Engineering and MBA from the University of Nevada, Reno and a Bachelor of Commerce - Finance from the University of British Columbia.

Kim Oishi – Director

Mr. Oishi has over 20 years of experience in financing and advising growth companies and has served in senior management and board positions on a number of public and private companies. Mr. Oishi is the founder and President of Grand Rock Capital Inc., a company that invests in growth companies and provides consulting services regarding capital markets, corporate finance, investor relations, business development, mergers and acquisitions for companies listed on the Toronto Stock Exchange. Until February 2019 Mr. Oishi served as a director and the Chair of corporate governance & disclosure committee for Integrity Gaming Corp. (formerly, Poydras Gaming Finance Corp.) (TSXV: DAC) and currently serves as Chairman of the Board for Datable Technology Corporation (formerly 3TL Technologies Corp.) (TSXV: IGAM) and director of X-Terra Resources Inc. (TSXV: XTT), two companies listed on the TSX Venture Exchange. Mr. Oishi has been the Chief Marketing Officer of Valencia Capital Inc. since June 2019. Mr. Oishi obtained a Bachelor of Science degree (Biochemistry) from the University of British Columbia in 1989 and a Master of Business Administration degree from the University of British Columbia in 1993.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit and other fees are as follows:

Nature of Services	Fees Paid to Davidson & Company LLP in Fiscal Year Ended January 31, 2021	Fees Paid to Kreston GTA LLP in Fiscal Year Ended January 31, 2022
Audit Fees ⁽¹⁾	\$69,000	\$28,000
Audit-Related Fees ⁽²⁾	\$19,000	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	\$17,000	Nil
Total	\$105,000	\$28,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is a "venture issuer" as defined in NI 52-110, and, as such, is relying on the exemption in section 6.1 of NI 52-110 from the requirement to comply with the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

STATEMENT OF EXECUTIVE COMPENSATION

The following disclosure is presented in accordance with applicable provisions of Form 51-102F6V, Statement of Executive Compensation – Venture Issuers ("**Form 51-102F6V**").

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer. As set out herein, "**Named Executive Officer**" or "**NEO**" means (a) the Chief Executive Officer ("**CEO**"); (b) the Chief Financial Officer ("**CFO**"); (c) the most highly compensated executive officer, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000,

as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and each individual who would be a Named Executive Officer under (c) but for the fact that the individual was not an executive officer and was not acting in a similar capacity, at the end of that financial year.

During the most recently completed financial year ended January 31, 2022, Aleksandar Mišković, CEO, and Stephen Brohman, CFO, are the only current NEOs of the Company for the purposes of the following disclosure.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to each Named Executive Officer and director during the financial years ended January 31, 2021 and 2022:

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 (\$)
Aleksandar Miskovic CEO and Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2022	108,512	Nil	Nil	Nil	Nil	108,512
Stephen Brohman CFO	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2022	42,260	Nil	Nil	Nil	Nil	42,260
Giulio T. Bonifacio Non-Executive Chairman	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Brandon Bonifacio Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	35,000	Nil	Nil	Nil	Nil	35,000
Aleksandar Ilic Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	35,000	Nil	Nil	Nil	Nil	35,000
Kim Oishi Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	35,000	Nil	Nil	Nil	Nil	35,000

External Management Companies

Management functions of the Company are not performed by anyone other than by the directors or Named Executive Officers.

Stock Options and Other Compensation Securities

Table of Compensation Securities

The Company was not a reporting Company at any time during its most recently completed financial year. No compensation securities were granted or issued to each director and Named Executive Officer during the financial year ended January 31, 2022.

Table of Exercises of Compensation Securities by Named Executive Officers and Directors

No compensation securities were exercised by the directors or NEOs or its subsidiaries during the financial year ended January 31, 2022.

Stock Option Plans and Other Incentive Plans

The Company has adopted a 10% rolling stock option plan (the “**Option Plan**”), in accordance with the policies of the Canadian Stock Exchange (the “**Exchange**”), which provides that Options may be granted to the directors, officers, employees and consultants of the Company, which are exercisable for a period of up to ten years, to purchase up to 10% of the issued and outstanding Common Shares. The maximum number of Options which may be granted to Insiders within any 12-month period must not exceed 10% of the issued and outstanding Common Shares (unless the Company has obtained disinterested shareholder approval of such grants as required by the Exchange). In addition, the number of Common Shares reserved for issuance to any one Person within any 12-month period must not exceed 5% of the issued and outstanding Common Shares, the maximum number of Options which may be granted to any one consultant within any 12-month period must not exceed 2% of the issued and outstanding Common Shares and the maximum number of Options that may be granted to employees or consultants engaged in investor relations activities within any 12-month period must not exceed 2% of the issued and outstanding Common Shares. Options granted to employees or consultants engaged in investor relations activities must vest in stages over 12 months with no more than 25% of the Options vesting in any three-month period. A committee of the Board, and if no committee is appointed, the Board, will determine the exercise price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the Options, subject to the policies of the Exchange and the terms and conditions of the Option Plan, when such Options are granted. The exercise price of the Options will not be less than the market value of the Common Shares as of the date of grant, as permitted by the Exchange. Options must be exercised within 90 days of termination of employment or cessation of the option holder’s position with the Company, subject to the expiry date of such Option and certain other provisions of the Option Plan.

Pursuant to CSE policies covering option grants, namely CSE Policy 6 *Distributions*, the Company must:

- (a) not grant options with an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the options;
- (b) comply with the provisions of National Instrument 45-106 – Prospectus Exempt Distributions (“NI45-106”), under which the Company is deemed to be an “unlisted issuer” for the purposes of Division 4 of NI45-106;
- (c) post notice of option grants or amendments in CSE Form 11 immediately following each grant of options by the Company;
- (d) upon first grant of options under the Option Plan, the Company must provide the CSE with an opinion of counsel that all the securities issuable under the option plan will be duly issued and be outstanding as fully paid and non-assessable shares;
- (e) terms of an option granted under the Option Plan may not be amended once issued. If an option is cancelled prior to its expiry date, the company must post notice of the cancellation and shall not grant new options to the same person until 30 days have elapsed from cancellation of the previous options.

The Voting Securityholders will be asked at the Meeting to approve the adoption of the Option Plan. See “*Particulars of Other Matters to be Acted Upon – Approval of the 2022 Option Plan*”.

Employment, Consulting and Management Agreements

No employment, consulting and management agreements have been entered into at this time.

Oversight and Description of Director and Named Executive Officer Compensation

The Company’s executive compensation program is comprised of two primary elements: base salary or consulting fees; and long-term incentive, in the form of participation in the Option Plan. Where NEOs receive other perquisites, they reflect competitive practices, business needs and objectives.

The terms of the compensation arrangements for each NEO (other than the CEO) are reviewed by the CEO with the Board. The terms of the CEO’s compensation arrangements are reviewed by the Board in the absence of the CEO. All changes to the compensation arrangements of the NEOs are approved by the Board.

The Company has not retained any third-party advisors to conduct compensation reviews of its competitors' pay levels and practices. The Company has not used a benchmark tool to assess its executive compensation levels.

Compensation Elements

1. Base Salary/ Consulting Fees

Compensation levels are typically negotiated with the candidate for the position prior to his or her selection as an executive officer. Salaries or consulting fees for the executive officers are reviewed annually to reflect external factors such as inflation as well as overall corporate performance. Compensation is reviewed and set by the Board.

2. Long-Term Incentive Plan

The Company has an Option Plan for the granting of stock options to the directors, officers, employees and consultants. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating such persons. The allocation of Options under the Option Plan will be determined by the Board which, in determining such allocations, considers factors such as previous grants to individuals, overall company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company's affairs.

The Company believes that participation by the NEOs in the Option Plan aligns the interests of the NEOs with the Company's shareholders, as the NEOs are rewarded for the Company's performance, as evidenced by share price appreciation. See the section of the Information Circular titled "*Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans*" for a summary of the material terms of the Option Plan.

Director Compensation

The Company did not pay any compensation to its non-executive directors during the period from May 19, 2020 (date of incorporation) to January 31, 2021. In the year ended January 31, 2022, certain directors received directors' fees as follows:

Table of Compensation Excluding Compensation Securities

Director	Year	Director Fee (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Long-term incentive plans (\$)	Value of all other compensation (\$)	Total compensation (\$)
Giulio T. Bonifacio	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brandon Bonifacio ⁽¹⁾	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	35,000	Nil	Nil	Nil	Nil	Nil	35,000
Aleksandar Ilić ⁽²⁾	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	35,000	Nil	Nil	Nil	Nil	Nil	35,000
Kim Oishi	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	35,000	Nil	Nil	Nil	Nil	Nil	35,000

Notes:

(1) Mr. B. Bonifacio became a director of the Company subsequent to January 31, 2021.

(2) Mr. Ilić became a director of the Company subsequent to January 31, 2021.

The Company may, from time to time, grant to its directors Options to purchase common shares. The Company will rely on Board discussion without any formal objectives, criteria and analysis to determine the number of Options and the terms and conditions of such Options, to be granted to directors and officers in accordance with the policies of the Exchange and the Option Plan. The Board will also consider the number and value of outstanding Options held by each option holder when determining Option grants.

There have been no significant changes to the Company's compensation policies during the financial year ended January 31, 2022 that could or will have an effect on director or Named Executive Officer compensation.

Pension Disclosure

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company was not a reporting Company at any time during its most recently completed financial year. Therefore, there were no securities of the Company that were authorized for issuance under equity compensation plans as at the end of the Company's financial year ended January 31, 2022.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Company is or has been indebted to the Company at any time during the most recently completed financial year, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, none of the informed persons of the Company (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Company, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Company, nor any Associate or Affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Company and none of such persons has any material interest in any transaction proposed to be undertaken by the Company that will materially affect the Company.

MANAGEMENT CONTRACTS

There are no management functions of the Company or any subsidiary of the Company that are to any substantial degree performed by a person other than a director or executive officer of the Company or its subsidiary. See "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*".

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors of the Company

The Board presently consists of five directors, and the Board intends to increase and determine the number of directors from five to six and to elect six directors for the ensuing year.

The term of office of each of the present directors of the Company expires at the Meeting. Management of the Company proposes to nominate the individuals named below for election as directors of the Company at the Meeting to serve until the earlier of: (a) the next annual meeting of the Company or until the successors of such directors are elected or appointed, unless their office is earlier vacated in accordance with applicable laws; and (b) the Closing Date.

Voting Securityholders can vote for all of the proposed nominees for directors of the Company, vote for some of the proposed nominees and withhold for others or withhold from voting for all or any of the proposed nominees. **Unless otherwise directed, the Management Designees named in the accompanying instrument of proxy intend to vote FOR the election, as directors, of the nominees whose names are set forth below.**

In the event that prior to the Meeting, any vacancies occur on the nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other individual or individuals as directors. Management of the Company is not currently aware that any such nominees would not be willing to serve as director if elected.

The following table states the name of each individual proposed to be nominated by management for election as a director, the jurisdiction in which they are ordinarily resident, all offices of the Company now held by them, their principal occupation or employment during the past five years if such nominee is not presently an elected director, the period of time for which they have been a director of the Company and the number of Common Shares beneficially owned by them or over which they exercise control or direction, directly or indirectly, as at the Record Date.

Name, Province or State and Country of Residence⁽¹⁾	Position or Office	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years⁽¹⁾	Date Appointed as a Director	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
Aleksandar Miskovic <i>Quebec, Canada</i>	CEO and Director	CEO of Terra Balcanica Resources Corp. March 2021 to Present; 2009 -2021 Consulting Geoscientist for Geotarget Solutions Inc.; 2018-2020 Global R&D Director for US Borax Inc. (Rio Tinto pl.); 2016-2018 Regional Mineral Exploration Manager (Balkans) for Medgold Resources Corp.	March 19, 2021	9,000,000 (12.24%)
Giulio T. Bonifacio ⁽²⁾ <i>British Columbia, Canada</i>	Director and Non-Executive Chairman	Executive Chairman of Candente Copper Corp. since July 1, 2020; Chairman and director of Faraday Copper Corp. (formerly "CopperBank Resources") 2018 to 2022; CEO and director of Sabre Gold Mines Corp. (formerly "Arizona Gold Corp.") since 2019; President and CEO of Nevada Copper Corp. 2005 to 2018	September 9, 2021	2,196,250 (2.99%)
Brandon Bonifacio ⁽²⁾ <i>British Columbia, Canada</i>	Director	President and CEO of Nevgold Corp. October 27, 2020 to present; Finance Director of the Norte Abierto Joint Venture (Cerro Casale /Caspiche) in the Maricunga Region, Chile from 2017 to 2019, and member of the corporate development team at Goldcorp Inc. (now Newmont) from 2016 to 2017	March 19, 2021	2,000,000 (2.17%)
Aleksandar Ilić <i>Belgrade, Serbia</i>	Director	Founder, Rockstone Group since 2012; Director of Suva Ruda Joint Venture (Deep Research/Adriatic Metals) in Serbia from 2016 to present.	March 19, 2021	9,096,875 (12.37%)
Kim Oishi ⁽²⁾ <i>British Columbia, Canada</i>	Director	President & CEO of Grand Rock Capital Inc. since May 1, 2007.	May 19, 2020	1,262,501 ⁽³⁾ (1.72%)

Name, Province or State and Country of Residence ⁽¹⁾	Position or Office	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years ⁽¹⁾	Date Appointed as a Director	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Steven Latimer Ontario, Canada	Director Nominee	Managing Director and Head of North America of Bacchus Capital Advisers since May 2021; June 2012 to December 2020, Managing Director, Head of Canadian Investment Banking, President and Director of Jefferies Securities Inc.	Nominee	1,350,000 (1.8%)

- (1) The information as to place of residence, principal occupation and number of Common Shares beneficially owned or over which a nominee exercises control or direction, is not within the knowledge of management of the Company and has been furnished by the respective directors.
- (2) Member of the Audit Committee.
- (3) 1,262,501 shares are held by Grand Rock Capital Inc., a private company 100% wholly owned by Mr. Oishi.

Corporate Cease Trade Orders, Penalties, Sanctions and Bankruptcies

No proposed director of the Company is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, CEO or CFO of any corporation (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that individual was acting in the capacity as director, CEO or CFO.

No proposed director of Company:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any corporation (including the Company) that, while that individual was acting in that capacity, or within a year of that individual 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 10 years before the date of this Information Circular, 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 their assets.

No proposed director of Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Appointment of Auditor

Kreston GTA LLP (“**Kreston**”), Chartered Professional Accountants, will be nominated at the Meeting for appointment as auditor of the Company at a remuneration to be fixed by the directors. Unless otherwise directed, the Management Designees named in the accompanying instrument of proxy intend to vote in favour of the appointment of Kreston as auditor of the Company, to hold office until the close of the next annual meeting of the Company, and further intend to vote that the fixing of the remuneration be a matter left to the directors of the Company.

Management of the Company recommends that the Voting Securityholders vote FOR the auditor resolution, and the persons named in the enclosed form of proxy intend to vote FOR the auditor resolution at the Meeting unless a Voting Securityholder has specified that the Common Shares represented by such proxy are to be voted against such resolution.

Approval of Option Plan

At the Meeting, Voting Securityholders will be asked to ratify and approve the currently existing Option Plan, a 10% rolling incentive stock option plan approved by the Company’s Board of Directors effective as of February 4, 2022. The principal purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. The Option Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the closing market price of Common Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All Options granted under the Option Plan will expire not later than the date that is ten years from the date that such Options are granted. Options granted under the Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

The Company currently has 5,895,000 options issued and outstanding. The Option Plan allows for a total of 7,351,222 options to be granted, assuming 73,512,223 of Common Shares remain issued and outstanding, and therefore there are 1,456,222 options available to be granted as of the date of this Information Circular.

A full copy of the Option Plan is attached hereto as Schedule “B”. This aforementioned summary is qualified in its entirety to the full copy of the Option Plan.

Option Plan Resolution

At the Meeting, the Voting Securityholders will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the Option Plan, which resolution requires approval of greater than 50% of the votes cast by the Voting Securityholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT the Option Plan of Company, substantially in the form attached as Schedule “B” to the information circular of the Company dated July 11, 2022, is hereby ratified and approved;”

Recommendation of the Board

The Board has determined that the Option Plan is in the best interests of the Company and the shareholders and unanimously recommends that the Voting Securityholders vote in favour of approving the Option Plan. **In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the Option Plan or not to proceed with the Option Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and the shareholders and to do so in light of any subsequent event or development occurring after the date of the Information Circular.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice to be presented for action by the Voting Securityholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment(s) or postponement(s) thereof, in accordance with the discretion of the persons authorized to act thereunder.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information of the Company’s most recently completed financial year is provided in the Company’s comparative financial statements and management’s discussion and analysis available on SEDAR. A Voting Securityholder may contact the Company at 250 – 200 Burrard St., Vancouver, BC V6C 3L6, Attention: President & CEO, or via email at ccox@terrabresources.com, to obtain a copy of the Company’s most recent financial statements and management’s discussion and analysis.

SCHEDULE "A"
TERRA BALCANICA RESOURCES CORP.
AUDIT COMMITTEE CHARTER

1. Purpose

The Audit Committee (the "**Committee**") is a standing committee of the Board of Directors (the "**Board**") of the Company with the responsibility under the governing legislation of the Company to review the financial statements, accounting policies and reporting procedures of the Company.

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any governmental body or the public, the systems of internal controls of the Company regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of the Company generally. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of the Company.

The primary duties and responsibilities of the Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of the Company.
- Monitor the independence and performance of the auditor of the Company (the "Auditor") and the accounting and financial reporting function of the Company.
- Provide an open avenue of communication among the Auditor, financial and senior management and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

2. Composition

- The Committee shall be comprised of two or more directors as determined by the Board of Directors. The composition of the Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of the Company are listed. In particular, the composition of the Committee shall be in accordance with Multilateral Instrument 52-110 – Audit Committees, and the required qualifications and experience of the members of the Committee, subject to any exemptions or other relief that may be granted from time to time.
- All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall be a "financial expert" in accordance with applicable laws and all requirements of the stock exchanges on which shares of the Company are listed.
- Members of the Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.

3. Meetings

- The Committee may appoint one of its members to act as Chairman of the Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "Secretary"). The Secretary does not have to be a member of the Committee or a director and can be changed by written notice from the Chairman.
- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is

present or by a consent resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.

- The Committee will meet as many times as is necessary to carry out its responsibilities, but in no event will the Committee meet less than four times a year. The Committee shall meet at least once annually with the Auditor. As part of its duty to foster open communication, the Committee should meet at least annually with management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these parties believe should be discussed privately. In addition, the Committee shall meet with the Auditor and management at least quarterly to review the financial statements of the Company.
- The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the Articles of the Company or otherwise determined by resolution of the Board of Directors.
- The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of the Company, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities. They should also be requested or required to attend meetings of the Committee and make presentations to the Committee as appropriate.
- Subject to the provisions of the governing legislation of the Company and applicable regulations the Chairman of the Committee may exercise the powers of the Committee in between meetings of the Committee. In such event, the Chairman shall immediately report to the members of the Committee and the actions or decisions taken in the name of the Committee shall be recorded in the proceedings of the Committee.

4. Responsibilities and Duties

To fulfill its responsibilities and duties the Committee shall:

Documents/Reports Review

- Review and recommend for approval to the Board of Directors of the Company any revisions or updates to this Charter. This review should be done periodically, but at least annually, as conditions dictate.
- Review the interim unaudited quarterly financial statements and the annual audited financial statements, and the related press releases of the Company and report on them to the Board of Directors.
- Satisfy itself, on behalf of the Board of Directors, that the unaudited quarterly financial statements and annual audited financial statements of the Company are fairly presented both in accordance with generally accepted accounting principles and otherwise and recommend to the Board of Directors whether the quarterly and annual financial statements should be approved.
- Satisfy itself, on behalf of the Board of Directors, that the information contained in the quarterly financial statements of the Company, annual report to shareholders and similar documentation required pursuant to the laws of Canada does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.
- Review any reports or other financial information of the Company submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.
- Review, and if deemed advisable, approve all related party transactions as defined in the governing legislation of the Company.
- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of the Company and its subsidiaries; (ii) to discuss such accounts and records and any matters relating to the financial position of the Company with the officers and auditors of the Company and its subsidiaries and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Committee.
- Permit the Board of Directors to refer to the Committee such matters and questions relating to the financial position of the Company and its affiliates, or the reporting related to it as the Board of Directors may from time to time see fit.

Independent Auditor

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor upon shareholder approval of the appointment, with such Auditor being ultimately accountable to the shareholders, the Board and the Committee.
- Act as the Auditor's channel of direct communication to the Company. In this regard, the Committee shall, among other things, receive all reports from the Auditor, including timely reports of:
 1. all critical accounting policies and practices to be used;
 2. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor; and
 3. other material written communications between the Auditor and the management of the Company, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board of Directors that the Auditor is "independent" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and the Company, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.
- Review the performance of the Auditor and make recommendations to the Board of Directors as to whether or not to continue to engage the Auditor.
- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Committee.
- Satisfy itself, on behalf of the Board of Directors, that the internal audit function has been effectively carried out and that any matter which the Auditor wishes to bring to the attention of the Board of Directors has been addressed and that there are no "unresolved differences" with the Auditor.

Financial Reporting Process and Risk Management

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of the Company to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of the Company.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of the Company and review and approve all significant changes to such policies.
- Satisfy itself, on behalf of the Board of Directors, that the Company has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of the Company and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of the Company, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.
- Review and approve the investment and treasury policies of the Company and monitor compliance with such policies.
- Establish procedures for the receipt and treatment of (i) complaints received by the Company regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of the Company as to concerns regarding questionable accounting or auditing.

Legal and Regulatory Compliance

- Satisfy itself, on behalf of the Board of Directors, that all material statutory deductions have been withheld by the Company and remitted to the appropriate authorities.
- Without limiting its rights to engage counsel generally, review, with the principal legal external counsel of the Company, any legal matter that could have a significant impact on the financial statements of the Company.
- Satisfy itself, on behalf of the Board of Directors, that all regulatory compliance issues have been identified and addressed.

Budgets

- Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

General

- Perform any other activities consistent with this Charter, the By-laws and governing law, as the Committee or the Board of Directors deem necessary or appropriate.

As adopted by the Board of Directors on January 18, 2022

SCHEDULE "B"

TERRA BALCANICA RESOURCES CORP.

STOCK OPTION PLAN

Effective Date: February 4, 2022

Approved by the Board of
Directors on **February 4, 2022**.

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1 DEFINITIONS AND INTERPRETATION	1
1.1 Definitions.....	1
1.2 Choice of Law	4
1.3 Headings.....	4
SECTION 2 PURPOSE AND PARTICIPATION.....	5
2.1 Purpose of Plan.....	5
2.2 Participation in Plan	5
2.3 Limits on Option Grants.....	5
2.4 Notification of Grant	5
2.5 Copy of Plan.....	5
2.6 Limitation on Service.....	5
2.7 No Obligation to Exercise	5
2.8 Agreement.....	6
2.9 Notice.....	6
2.10 Representation to CSE.....	6
SECTION 3 NUMBER OF SHARES UNDER PLAN	6
3.1 Board to Approve Issuance of Shares	6
3.2 Number of Shares.....	6
3.3 Number of Shares Prior to Listing on the CSE	6
3.4 Fractional Shares	7
SECTION 4 GRANT OF OPTIONS	7
4.1 Grant of Options.....	7
4.2 Record of Option Grants	7
4.3 Effect of Plan.....	7
SECTION 5 TERMS AND CONDITIONS OF OPTIONS.....	7
5.1 Exercise Period of Option	7
5.2 Extension of Expiry Date of Stock Options Due to a Black-Out	8
5.3 Number of Shares Under Option.....	8
5.4 Exercise Price of Option.....	8
5.5 Exercise Price if Distribution	8
5.6 Termination of Option.....	8
5.7 Vesting of Option and Acceleration	9
5.8 Additional Terms.....	9
SECTION 6 TRANSFERABILITY OF OPTIONS.....	10
6.1 Non-transferable.....	10
6.2 Death of Option Holder	10
6.3 Disability of Option Holder	10
6.4 Disability and Death of Option Holder.....	10
6.5 Vesting.....	10
6.6 Deemed Non-Interruption of Engagement	10
SECTION 7 EXERCISE OF OPTION.....	11
7.1 Exercise of Option.....	11
7.2 Issue of Share Certificates.....	11
7.3 No Rights as Shareholder	11
SECTION 8 ADMINISTRATION	11
8.1 Board or Committee	11
8.2 Appointment of Committee	11
8.3 Quorum and Voting.....	11
8.4 Powers of Committee	12
8.5 Administration by Committee	12
8.6 Interpretation	12

SECTION 9 APPROVALS AND AMENDMENT	13
9.1 Shareholder Approval of Plan	13
9.2 Amendment of Option or Plan	13
9.3 CSE Approval	13
SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES	13
10.1 Compliance with Laws	13
10.2 Obligation to Obtain Regulatory Approvals	13
10.3 Inability to Obtain Regulatory Approvals	14
10.4 Withholding Tax Requirements	14
SECTION 11 ADJUSTMENTS AND TERMINATION.....	14
11.1 Termination of Plan.....	14
11.2 No Grant During Suspension of Plan	14
11.3 Alteration in Capital Structure.....	14
11.4 Triggering Events	15
11.5 Notice of Termination by Triggering Event.....	15
11.6 Determinations to be Made By Committee	15
11.7 Options Granted to U.S. Residents or Citizens	16

STOCK OPTION PLAN

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

- (a) “Administrator” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, if any.
- (b) “Associate” means, where used to indicate a relationship with any person:
 - (i) any relative, including the spouse of that person or a relative of that person’s spouse, where the relative has the same home as the person;
 - (ii) any partner, other than a limited partner, of that person;
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
 - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) “Black-Out” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company’s securities until the restriction has been lifted by the Company.
- (d) “Board” means the board of directors of the Company.
- (e) “Change of Control” means an occurrence when either:
 - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
 - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company’s then-incumbent Board.
- (f) “Committee” means a committee of the Board appointed in accordance with this Plan or if no such committee is appointed, the Board itself.
- (g) “Company” means Terra Balcanica Resources Corp.
- (h) “Consultant” means an individual who:
 - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);

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

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

and includes:

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

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

(i) “CSE” means the Canadian Securities Exchange.

(j) “Disability” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.

(k) “Employee” means:

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

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

and includes:

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

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

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

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

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

(m) “Exercise Notice” means the written notice of the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder.

(n) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.

(o) “Exercise Price” means the price at which an Option is exercisable as determined in accordance with section 5.4.

- (p) “Expiry Date” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.2, 5.5, 6.2, 6.3, 6.4 or 11.4.
- (q) “Expiry Time” means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (r) “Grant Date” means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (s) “Insider” means an insider as that term is defined in the *Securities Act*;
- (t) “Market Value” means the market value of the Shares as determined in accordance with section 5.4.
- (u) “Option” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (v) “Option Certificate” means the certificate, in substantially the form set out as Schedule “A” hereto, evidencing the Option.
- (w) “Option Holder” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (x) “Outstanding Issue” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (y) “Person or Entity” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (z) “Personal Representative” means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (aa) “Plan” means this stock option plan as from time to time amended.
- (bb) “Related Entity” means a person that controls or is controlled by the Company or that is controlled by the same person that controls the Company.
- (cc) “Related Person” means the following:
 - (i) a director or executive officer of the Company or of a Related Entity of the Company;
 - (ii) an Associate of a director or executive officer of the Company or of a Related Entity of the Company, or
 - (iii) a permitted assign of a director or executive officer of the Company or of a Related Entity of the Company.

- (dd) “Regulatory Approvals” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (ee) “Regulatory Authorities” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (ff) “Regulatory Rules” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (gg) “*Securities Act*” means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (hh) “Share” or “Shares” means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (ii) “Subsidiary” means a wholly-owned or controlled subsidiary corporation of the Company.
- (jj) “Triggering Event” means:
 - (i) the proposed dissolution, liquidation or wind-up of the Company;
 - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
 - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
 - (iv) a proposed Change of Control of the Company;
 - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
 - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (kk) “Vest” or “Vesting” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

1.3 Headings

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

SECTION 2 PURPOSE AND PARTICIPATION

2.1 Purpose of Plan

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

2.2 Participation in Plan

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

2.3 Limits on Option Grants

In so far as the Company is listed on the CSE and so long as the such limitations are required by the CSE, subject to obtaining the approval of all shareholders of the Company, no Options may be granted under the Plan to an employee or consultant of the Company, who is an investor relations person of the Company, an associated consultant of the Company, an executive officer of the Company, a director of the Company, or a permitted assign of those persons if the following would occur after the grant of the Options:

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to (i) Related Persons exceeds 10% of the outstanding securities of the Company, or (ii) a Related Person, exceeds 5% of the outstanding securities of the Company; or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to (i) Related Persons, exceeds 10% of the outstanding securities of the Company, or (ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company.

2.4 Notification of Grant

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

2.5 Copy of Plan

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

2.6 Limitation on Service

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

2.7 No Obligation to Exercise

Option Holders shall be under no obligation to exercise Options granted under this Plan.

2.8 Agreement

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

2.9 Notice

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

2.10 Representation to CSE

As a condition precedent to the issuance of an Option, the Company and the Option Holder must be able to represent to the CSE as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary. The Option Certificate to which the Option Holder is a party must contain such a representation by the Option Holder.

SECTION 3 NUMBER OF SHARES UNDER PLAN

3.1 Board to Approve Issuance of Shares

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

3.2 Number of Shares

Subject to adjustment as provided for herein and section 3.3, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan will not exceed 10% of the number of Shares which are issued and outstanding on the particular date of grant of Options. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

3.3 Number of Shares Prior to Listing on the CSE

The number of Shares that will be available for purchase pursuant to Options granted pursuant to this Plan may exceed 10% of the number of issued and outstanding Shares on the particular Grant Date, provided the following:

- (a) the Grant Date is less than 60 days prior to the Company listing on the CSE; and
- (b) the number of Shares available for purchase pursuant to Options granted pursuant to this Plan will not exceed 10% of the number of Shares which are issued and outstanding on the first day the Company is listed on the CSE.

3.4 Fractional Shares

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

SECTION 4 GRANT OF OPTIONS

4.1 Grant of Options

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

4.2 Record of Option Grants

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

- (c) the name and address of the Option Holder;
- (d) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (e) the Grant Date and Expiry Date of the Option;
- (f) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (g) the vesting and other additional terms, if any, attached to the Option; and
- (h) the particulars of each and every time the Option is exercised.

4.3 Effect of Plan

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

SECTION 5 TERMS AND CONDITIONS OF OPTIONS

5.1 Exercise Period of Option

Subject to sections 5.2, 5.5, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

5.2 Extension of Expiry Date of Stock Options Due to a Black-Out

The Expiry Date of outstanding Options held by Options Holders which would expire during a Black-Out, or within 10 business days after the expiry of a Black-Out, will be extended for a period of time ending on the tenth (10th) business day after the expiry date of the Black-Out to provide such Options Holders with an extension to the right to exercise such Options.

5.3 Number of Shares Under Option

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

5.4 Exercise Price of Option

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. Subject to Section 5.5, the Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Value cannot be less than the greater of the closing market prices of the underlying securities on the trading day prior to the Grant Date of the stock options, less any applicable discount allowed by the CSE;
- (b) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length.

Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

5.5 Exercise Price if Distribution

If any Options are granted within 90 days of a public distribution by prospectus, then the minimum Exercise Price shall be the greater of that specified in Section 5.4 and the price per share paid by the investors for Shares acquired under the public distribution. The 90 day period shall commence on the date the Company is issued a final receipt for the prospectus.

5.6 Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the

Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 90th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order;

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

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 90th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:
- (i) termination for cause;
 - (ii) resigning his or her position; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order;

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

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

5.7 Vesting of Option and Acceleration

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

5.8 Additional Terms

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

be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 6 TRANSFERABILITY OF OPTIONS

6.1 Non-transferable

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

6.2 Death of Option Holder

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

6.3 Disability of Option Holder

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

6.4 Disability and Death of Option Holder

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

6.5 Vesting

Notwithstanding any vesting schedule to which Options are subject, Options shall cease to vest immediately if the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated for any reason whatsoever. In which case, the Option Holder may only exercise such number of Options that are vested as at the date of termination of such Option Holder's employment, engagement or appointment as a director or officer.

6.6 Deemed Non-Interruption of Engagement

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

SECTION 7 EXERCISE OF OPTION

7.1 Exercise of Option

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

7.2 Issue of Share Certificates

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share Certificate.

7.3 No Rights as Shareholder

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

SECTION 8 ADMINISTRATION

8.1 Board or Committee

The Plan shall be administered by the Board, by a Committee of the Board appointed in accordance with section 8.2 below, or by an Administrator appointed in accordance with subsection 8.4(b).

8.2 Appointment of Committee

The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

8.3 Quorum and Voting

A majority of the members of the Committee shall constitute a quorum and, subject to the limitations in this section 8, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Options pursuant to the Plan, except that no such member shall act upon the granting of an Option to himself or herself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to that member). The Committee may approve matters by written resolution signed by a majority of the quorum.

8.4 Powers of Committee

The Committee (or the Board if no Committee is in place) shall have the authority to do the following:

- (a) administer the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value of the Shares;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
 - (iv) determine when Options shall be granted; and
 - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

8.5 Administration by Committee

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

8.6 Interpretation

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

SECTION 9 APPROVALS AND AMENDMENT

9.1 Shareholder Approval of Plan

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

9.2 Amendment of Option or Plan

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

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

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

9.3 CSE Approval

Any amendment to this Plan or Options granted pursuant to this Plan shall not become effective until such CSE and shareholder approval as is required by the CSE Policies and applicable Regulatory Rules has been received.

SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

10.1 Compliance with Laws

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

10.2 Obligation to Obtain Regulatory Approvals

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

10.3 Inability to Obtain Regulatory Approvals

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

10.4 Withholding Tax Requirements

Upon exercise of an Option, the Option Holder shall, upon notification of the amount due and prior to the delivery of the certificates representing the Shares, pay to the Company amounts necessary to satisfy applicable federal and provincial withholding tax requirements and, if applicable, Canada Pension Plan contributions, in such amount as determined by the Company, or shall otherwise make arrangements satisfactory to the Company for such requirements. In order to implement this provision, the Company or any related corporation shall have the right to retain and withhold from any payment of cash or Shares under this Plan the amount of taxes and, if applicable, Canada Pension Plan contributions, in such amount as determined by the Company, to be withheld or otherwise deducted and paid with respect to such payment. At its discretion, the Company may require an Option Holder receiving Shares to reimburse the Company for any such taxes and Canada Pension Plan contributions required to be withheld by the Company and withhold any distribution to the Option Holder in whole or in part until the Company is so reimbursed. In lieu thereof, the Company shall have the right to withhold from any other cash amounts due or to become due from the Company to the Option Holder an amount equal to such taxes and, if applicable, Canada Pension Plan contributions as determined by the Company. The Company may also retain and withhold or the Option Holder may elect, subject to approval by the Company at its sole discretion, to have the Company retain and withhold a number of Shares having a market value of not less than the amount of such taxes and, if applicable, Canada Pension Plan contributions, as determined by the Company, required to be withheld by the Company to reimburse the Company for any such taxes and cancel (in whole or in part) any such Shares so withheld.

SECTION 11 ADJUSTMENTS AND TERMINATION

11.1 Termination of Plan

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

11.2 No Grant During Suspension of Plan

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

11.3 Alteration in Capital Structure

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

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

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

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

11.4 Triggering Events

Subject to the Company complying with section 0 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

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

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

11.5 Notice of Termination by Triggering Event

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

11.6 Determinations to be Made By Committee

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

11.7 Options Granted to U.S. Residents or Citizens

Any Option granted under the Plan to an Option Holder who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a “**U.S. Option Holder**”) may be an incentive stock option (an “**ISO**”) within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, of the United States (the “**Code**”), but only if so designated by the Company in the agreement evidencing such Option. No provision of this Plan, as it may be applied to a U.S. Option Holder with respect to Options which are designated as ISO’s, shall be construed so as to be inconsistent with any provision of Section 422 of the Code. Grants of Options to U.S. Option Holders pursuant to Section 2 hereof which are not designated as or otherwise do not qualify as ISO’s will be treated as non-statutory stock options for U.S. federal tax purposes. Notwithstanding anything in this Plan contained to the contrary, the following provisions shall apply to ISO’s granted to each U.S. Option Holder:

- (a) ISO’s shall only be granted to individual U.S. Option Holders who are, at the time of grant, employees of the Company (within the meaning of the Code). Any director of the Company who is a U.S. Option Holder shall be ineligible to vote upon the granting of such Option;
- (b) the aggregate fair market value (determined as of the time an ISO is granted) of the Shares subject to ISO’s exercisable for the first time by a U.S. Option Holder during any calendar year under this Plan and all other stock option plans, within the meaning of Section 422 of the Code, of the Company shall not exceed One Hundred Thousand Dollars in U.S. funds (U.S.\$100,000);
- (c) the Exercise Price for Shares under each ISO granted to a U.S. Option Holder pursuant to this Plan shall be not less than the fair market value of such Shares at the time granted, as determined in good faith by the directors at such time (unless such ISO is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code);
- (d) if any U.S. Option Holder to whom an ISO is to be granted under the Plan at the time of the grant of such ISO is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company, then the following special provisions shall be applicable to the ISO granted to such individual:
 - (i) the Exercise Price (per Share) subject to such ISO shall not be less than one hundred ten percent (110%) of the fair market value of one Share at the time of grant; and
 - (ii) for the purposes of this Section 11.7(d)(ii) only, the exercise period shall not exceed five (5) years from the date of grant;
- (e) no ISO may be granted hereunder to a U.S. Option Holder following the expiration of ten (10) years after the date on which this Plan is adopted by the Company or the date on which the Plan is approved by the shareholders of the Company, whichever is earlier;
- (f) no ISO granted to a U.S. Option Holder under the Plan shall become exercisable unless and until the Plan shall have been approved by the shareholders of the Company;
- (g) no ISO shall be transferable by a U.S. Option Holder other than by will or the laws of descent and distribution; and
- (h) during the lifetime of the original grantee of an ISO, such ISO may not be exercised by anyone other than such grantee.

SCHEDULE "A"

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the "Plan") of **Terra Balcanica Resources Corp.** (the "Company") and evidences that [●][Name of Option Holder] is the holder (the "Option Holder") of an option (the "Option") to purchase up to [●] common shares (the "Shares") in the capital stock of the Company at a purchase price of Cdn.\$[●] per Share (the "Exercise Price"). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 5:00 p.m. local time in Vancouver, British Columbia (the "Expiry Time") on the following Expiry Date:

- (a) the Grant Date of this Option is [●], 20[●]; and
- (b) subject to sections 5.2, 5.6, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is [●], 20[●].

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

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

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

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, of the United States of America (the "Act") or the securities laws of any state ("State") of the United States of America and may not be sold, transferred, pledged, hypothecated or distributed, directly or indirectly, to a U.S. person (as defined in Regulation S adopted by the U.S. Securities and Exchange Commission under the Act) or within the United States unless such securities are (i) registered under the Act and any applicable State securities act (a "State Act"), or (ii) exempt from registration under the Act and any applicable State Act and the Company has received an opinion of counsel to such effect reasonably satisfactory to it, or (iii) sold in accordance with Regulation S and the Company has received an opinion of counsel to such effect reasonably satisfactory to it."

This Option was granted to the Option Holder in his or her capacity as a bona fide Director, Officer, Employee or Consultant of the Company (**circle appropriate relationship with the Company**), and shall continue in effect should his or her status change and he or she continue in a new capacity as a Director, Officer, Employee or Consultant of the Company.

TERRA BALCANICA RESOURCES CORP.

Per:

Director

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is a bona fide Director, Officer, Employee or Consultant of the Company (**circle appropriate relationship with the Company**) and is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the applicable Regulatory Authorities. The Option Holder further acknowledges that

if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

By signing this Option Certificate, the undersigned also provides its express written consent to:

- (a) the disclosure of Personal Information (as defined below) by the Company to the Canadian Securities Exchange (the “**Exchange**”) with respect to any and all forms required to be filed by the Company with the Exchange with respect to the grant of this Option; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix I – Acknowledgement of Personal Information of the Exchange, or as otherwise identified by the Exchange, from time to time.

“Personal Information” means any information about an identifiable individual, and includes the information contained in the Form 11 – Notice of Proposed Stock Option Grant or Amendment to be filed by the Company with the Exchange.

Signature of Option Holder:

Signature

Date signed: _____

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

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

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

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) [●] Shares (●%) will vest and be exercisable on or after the Grant Date;
 - (b) [●] additional Shares ([●]%) will vest and be exercisable on or after [●] [date];
 - (c) [●] additional Shares ([●]%) will vest and be exercisable on or after [●] [date];
 - (d) [●] additional Shares ([●]%) will vest and be exercisable on or after [●] [date];
2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.5(a) or 5.5(b) of the Plan, the Expiry Date of the Option shall be ● **[Insert date desired that is longer or shorter than the standard 90 days as set out in the Plan]** following the date the Option Holder ceases to hold such position.

SCHEDULE "B"

[●]
STOCK OPTION PLAN

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
[●]
[●]
(or such other address as the Company may advise)

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the "Plan") of **TERRA BALCANICA RESOURCES CORP.** (the "Company"), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

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

which are the subject of the Option Certificate attached hereto (**attach your original Option Certificate**).

The undersigned tenders herewith a certified cheque or bank draft (**circle one**) payable to "[●]" in an amount equal to the aggregate Exercise Price of the aforesaid Shares and directs the Company to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address (**provide full complete address**):

The undersigned acknowledges the Option is not validly exercised unless this Notice is completed in strict compliance with this form and delivered to the required address with the required payment prior to 5:00 p.m. local time in Vancouver, B.C. on the Expiry Date of the Option.

DATED the _____ day of _____, 20_____.

Signature of Option Holder