

# **ENDURO METALS CORPORATION**

**NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR  
FOR**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
OF  
ENDURO METALS CORPORATION  
TO BE HELD ON DECEMBER 5, 2022**

**At 10:00 am (Pacific Time)**

**ENDURO METALS CORPORATION**  
**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Enduro Metals Corporation (“**Enduro Metals**” or the “**Company**”) will be held at the Company’s offices located at #202-1632 Dickson Ave. Kelowna, BC V1Y 7T2 at 10:00 a.m. (Pacific Time) on Monday, December 5, 2022 for the following purposes:

1. To receive the audited annual financial statements of the Company for the financial year ended September 30, 2021 and the auditor’s report thereon;
2. To fix the number of directors for the ensuing year at five (5);
3. To re-elect the following directors of the Company for the ensuing year; Cole Evans, Susanne Hermans, David Watkins, Lawrence Roulston and Maurizio Napoli;
4. To re-appoint Manning Elliott LLP, Chartered Accountants, as auditors of the Company for the ensuing year and to authorize the board of directors to fix the auditor’s remuneration;
5. To approve the Company’s new 10% rolling Equity Incentive Plan, as more particularly described in the accompanying management information circular (the “**Circular**”); and
6. To consider other matters, including without limitation such amendments or variations to the foregoing matters, as may properly come before the Meeting or any adjournment thereof.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice and the Circular is a form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only Shareholders of record at the close of business on October 26, 2022 will be entitled to receive notice of and vote at the Meeting.

In light of the ongoing novel coronavirus disease (COVID-19) pandemic and in adherence to current government direction and advice (to which the Company will adhere between the date of this Circular and the date of the Meeting or any adjournment or postponement thereof), the Company is providing Shareholders with an opportunity to attend the Meeting and to vote either in person (subject to applicable restrictions regarding public gatherings) or by proxy at the Meeting. The Company encourages shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. Access to the Meeting will be limited to essential personnel and registered shareholders and proxyholders entitled to attend and vote at the Meeting. Those attending in person will be required to comply with the then current direction and advice from federal, provincial and municipal levels of government concerning public gatherings. Shareholders should be advised that constantly evolving restrictions on the size of public gatherings are beyond the control of the Company, and attendance at the Meeting in person may be difficult or not permitted. Accordingly, the Company recommends that shareholders vote by proxy.

The Company reserves the right to take any additional precautionary measures deemed appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 pandemic including, if considered necessary or advisable, hosting the Meeting solely by means of remote communication. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company’s profile on the SEDAR website. We strongly recommend you check the Company’s profile on the SEDAR website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended Meeting materials.

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY SUBMITTING THEIR COMPLETED FORM OF PROXY (OR VOTING INSTRUCTION FORM) PRIOR TO THE MEETING BY ONE OF THE MEANS DESCRIBED IN THE CIRCULAR ACCOMPANYING THIS NOTICE OF MEETING.**

Dated at Vancouver, British Columbia, this 26<sup>th</sup> day of October, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

“*Cole Evans*”  
 Chief Executive Officer and Director

**ENDURO METALS CORPORATION****MANAGEMENT INFORMATION CIRCULAR**

(Containing information as at October 26, 2022 unless indicated otherwise)

**SOLICITATION OF PROXIES**

This Management Information Circular (the “**Circular**”) is furnished to holders of common shares (the “**Common Shares**”, and such shareholders, the “**Shareholders**”) in connection with the solicitation of proxies by or on behalf of the management of Enduro Metals Corporation (the “**Company**” or “**Enduro Metals**”) for use at the annual and special meeting (the “**Meeting**”) of Shareholders to be held at the offices of the Company at #202-1632 Dickson Ave. Kelowna, BC, V1Y 7T2 on Monday, December 5, 2022 at 10:00 a.m. (Pacific Time) for the purposes set forth in the accompanying notice of the Meeting.

The board of directors of the Company (the "Board") has fixed the close of business on October 26, 2022 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the "Record Date").

Those attending the Meeting in person who are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing will not be permitted to attend the Meeting. Those attending in person will be required to comply with the then current direction and advice from federal, provincial and municipal levels of government concerning public gatherings. Note however that, in light of ongoing concerns related to the spread of COVID-19 and the constantly evolving restrictions on the size of public gatherings which are beyond the control of the Company, attendance at the Meeting in person may be difficult or not permitted. Accordingly, we encourage you not to plan to attend the Meeting in person and instead ensure you vote by proxy.

The Company reserves the right to take any additional precautionary measures deemed appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 pandemic including, if considered necessary or advisable, hosting the Meeting solely by means of remote communication. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of news release. Please monitor the news releases filed under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at [www.sedar.com](http://www.sedar.com) prior to the Meeting for the most current information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY SUBMITTING THEIR COMPLETED FORM OF PROXY (OR VOTING INSTRUCTION FORM) PRIOR TO THE MEETING BY ONE OF THE MEANS DESCRIBED IN THIS CIRCULAR.**

**The solicitation of proxies is made on behalf of the management of the Company.** The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors or officers of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the Meeting Materials, as defined below, to Beneficial Shareholders held of record by those Intermediaries and the Company will not reimburse the Intermediaries for their fees and disbursements in that regard.

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, approve certain annual general matters, as well as the approval of a new equity incentive plan (the “**New Equity Incentive Plan**”), and to consider such other matters as may properly come before the Meeting.

**APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "Management Proxyholders").

**A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

## VOTING BY PROXY

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favor of the matters specified in the Notice of Meeting and in favor of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

#### **Record Date**

The Board has fixed October 26, 2022 as the Record Date for determination of persons entitled to receive notice of and to vote at the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their Shares voted at the Meeting.

### NON-REGISTERED HOLDERS

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators ("**NI 54-101**"), the Company has distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy (collectively the "**Meeting Materials**") to Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders of Common Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non- Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Shareholders. A Non-Registered Shareholder who has not waived the right to receive the Meeting Materials will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the Non- Registered Shareholder but which is not otherwise completed. Since the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non- Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under "Deposit of Proxy"; or
- b) more typically, be given a voting instruction form which must be completed and signed by the Non- Registered Shareholder and returned to the Intermediary or its service company (frequently Broadridge Investor Communications) in accordance with the directions accompanying the voting instruction form. **A Non-Registered Shareholder receiving a voting instruction form cannot use that form to vote the common shares held by such Non-Registered Shareholder directly at the Meeting.**

In either case, the purpose of these procedures is to permit the Non-Registered Shareholder to direct the voting of the Common Shares that the Non-Registered Shareholder beneficially owns. Should a Non-Registered Shareholder wish to attend and vote at the Meeting

in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert his or her name in the space provided for that purpose on the voting instructions form and return it in accordance with the directions of the Intermediary.

**The Non-Registered Shareholder should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instructions form is to be delivered.**

A Non-Registered Shareholder may revoke a form of proxy or voting instructions form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure than an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners ("OBOs") under NI 54-101 the proxy-related materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*. An OBO is a Non-Registered Shareholder that objects to their intermediary disclosing their ownership information.

## **REVOCABILITY OF PROXY**

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of Common Shares, of which 240,994,943 Common Shares are issued and outstanding as of October 26, 2022, the Record Date for the Meeting. Persons who are registered Shareholders at the close of business on October 26, 2022 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all shares of the Company.

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

No director or executive officer of the Company, or any person who has held such a position since the incorporation 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 any matter to be acted on at the Meeting.

## **BUSINESS OF THE MEETING**

### **1. Financial Statements**

The Company's audited financial statements for the period ended September 30, 2021 will be placed before Shareholders at the Meeting. These financial statements have been electronically filed with regulators and are available for viewing through the internet on the SEDAR website at [www.sedar.com](http://www.sedar.com). Copies of the financial statements will also be available upon request by any shareholder who wishes to receive copies. To request copies, please contact the Company at: #202-1632 Dickson Ave. Kelowna, BC V1Y 7T2.

### **2. Setting Number of Directors**

The persons named in the enclosed Proxy intend to vote in favor of fixing the number of directors at five (5). The Board proposes that the number of directors be fixed at five (5). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

### 3. Election of Directors

The term of office of each of the current directors will end at this Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors (the "Nominees"), all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

**Management of the Company recommends that Shareholders vote in favour of the Nominees for election as directors. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees as directors of the Company.**

<u>Name and Residence</u>	<u>Position Held</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Number of Common Shares<sup>(1)</sup></u>
Cole Evans Kelowna, BC	CEO and Director	President and CEO of the Company since January 16, 2020. Co-founder of HEG & Associates Exploration Services Inc. since November 2017. Geologist with Colorado Resources Ltd. between April 2017 and November 2017.	January 16, 2020	14,224,111 <sup>(5)</sup>
Susanne Hermans Colorado, USA <sup>(2)(3)(4)</sup>	Director	Since June 2017, Ms. Hermans has been a director of EURO Ressources S.A., a French company focused on precious metal royalties. She has been a financial accounting consultant since 2016 and in 2015 she was controller and control and compliance lead, Orica North America.	June 24, 2020	-
David Watkins Victoria, BC <sup>(2)(3)(4)</sup>	Director	Mr. Watkins has over 50 years of experience in the mining industry, working as an exploration geologist and a senior executive with major international mining companies and junior exploration and development companies. He has been a director of Golden Minerals Company since July 2009, Euro Ressources SA since October 2006 and Commander Resources Ltd. Since May 2007.	March 21, 2020	-
Lawrence Roulston Vancouver, BC <sup>(2)(3)(4)</sup>	Director	Mr. Roulston has been the Managing Director of WestBay Capital Advisors since October 2016 and has been the CEO Mountain Boy Minerals Ltd. Since June 2018. He was President of Quintana Resources Capital from July 2014 to October 2016.	June 14, 2019	278,000
Maurizio Napoli Sudbury, ON	Director	Maurizio Napoli has been the QP for the Company since April 2019. He was the interim CEO and Vice President of the Company from September 2019 to January 2020. Until October 1, 2016 he worked with Inco, IncoGold and Vale exploring for magmatic nickel-copper sulphides globally, gold in the Abitibi Greenstone Belt and uranium in New Brunswick. He retired as an Exploration Manager from Vale in 2016 and since then he has provided consulting services under Napoli Technical Services. Prior to his career with Vale, he worked for 2 years with the Ministry of Northern Development and Mines mapping the numerous gold occurrences in the Fox Lake Belt near Whitefish, ON.	January 16, 2020	826,667

Notes:

(1) The Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at the date of this Circular has been furnished to the Company by the individual directors.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee.

(4) Member of the Governance and Nominating Committee.

(5) 602,500 Common Shares are held by Catalina Discoveries Ltd. and 13,349,111 Common Shares are held by HEG & Associates Exploration Services, both are companies controlled by Mr. Evans.

#### Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, none of the proposed directors of the Company (or any of their personal holding companies):

- (a) is, as at the date of this Circular or, has been within ten years before the date of this Circular, a director, CEO or CFO of any company, including the Company, that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO;
- (b) is, as at the date of this Circular or has been within ten years before the date of this Circular, a director or executive officer, of any company, including the Company, that while the proposed director was acting in that capacity or within a year of the proposed director 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
- (c) has, within the ten years preceding the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that proposed individual.

Mr. Roulston became a director of KBL Mining Ltd. (“KBL”) in March 2015, a company listed on the Australian Stock Exchange at a time, as a result of being the director nominee of Quintana Resources Capital ULC (an investor in KBL by way of a streaming transaction which was secured by KBL’s Mineral Hill mine). On September 7, 2016, Mr. Roulston resigned his position as director and on September 8, 2016, KBL was placed into voluntary administration and, on September 19, 2016, receivers were appointed.

Within the last ten years, none of the proposed directors of the Company (or any of their personal holding companies) 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 which would likely be considered important to a reasonable securityholder of the Company in deciding whether to vote for a proposed director.

Mr. Watkins was a director of Landdrill International Inc. (“**Landdrill**”) from June 2011 until August 26, 2012. On August 31, 2012, Landdrill obtained an Initial Order from the Court of Queen’s Bench of New Brunswick under the Companies’ Creditors Arrangement Act (Canada) (“CCAA”) granting protection from creditors. On May 30, 2013, the court terminated CCAA proceedings and Landdrill was adjudged bankrupt. Grant Thornton Poirier Ltd. of Saint John, New Brunswick was appointed trustee in respect of the bankruptcy.

Mr. Watkins was a director of Atna Resources Ltd (“**Atna**”) from April, 2000 to May 31, 2016. On November 18, 2015, Atna and its affiliated debtors each filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Bankruptcy Code in the Bankruptcy Court for the District of Colorado. A plan for liquidation was confirmed by the court on November 29, 2016.

#### **4. Appointment of Auditor**

Manning Elliott LLP, Chartered Accountants, of 1700 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Board. Manning Elliott LLP, Chartered Accountants, were appointed the auditor of the Company on March 22, 2021.

**Management of the Company recommends that Shareholders vote in favour of the appointment of Manning Elliott LLP as auditors of the Company and to authorize the directors to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Manning Elliott LLP as auditors of the Company.**

#### **5. Adoption of New Equity Incentive Plan**

The Legacy Plan is a “rolling” stock option plan, whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the exercise of options is 10% of the issued shares of the Company and, as such, will increase with the issue of additional shares by the Company. The Legacy Plan complied with the policies of TSXV for Tier 2 issuers for security based compensation prior to the TSXV’s adoption of Policy 4.4 effective November 24, 2021. At the Meeting, Shareholders will, in accordance with the requirements of Policy 4.4, be asked to consider, and if deemed appropriate, approve, with or without variation, a resolution approving the adoption by the Company of the New Equity Incentive Plan upon Closing. A copy of the New Equity Incentive Plan is attached hereto as Appendix “B”.

The following information is intended as a brief description of the New Equity Incentive Plan and is qualified in its entirety by the full text of the New Equity Incentive Plan, a copy of which is attached hereto as Appendix “B”.

##### **Purpose**

The purpose of the New Equity Incentive Plan is to promote the long-term success of the Company and the creation of Shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of the Company.

The New Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of Options, RSUs, PSUs and DSUs to eligible persons.

##### **Shares Subject to the New Equity Incentive Plan**

The New Equity Incentive Plan is a rolling 10% plan such that the aggregate number of Common Shares that may be issued upon the exercise or settlement of all Security-Based Compensation Arrangements (as defined in the New Equity Incentive Plan) shall not exceed 10% of the issued and outstanding Common Shares outstanding from time to time. Common Shares that were the subject of any Awards (as defined in the New Equity Incentive Plan) made under the New Equity Incentive Plan that have been settled in cash, or that have been cancelled, terminated, surrendered, forfeited or have expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under the New Equity Incentive Plan.

##### **Participation Limits**

The New Equity Incentive Plan provides that:

- a) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Common Shares issuable to any Participant under the New Equity Incentive Plan, within any 12 month period and at any point in time under New Equity Incentive Plan, together with Common Shares reserved for issuance to such Participant (and to companies wholly-owned by that participant) under all of the Company’s other Security-Based Compensation Arrangements, shall not exceed 5% of the issued and outstanding Common Shares (calculated as at the date of any grant);
- b) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Common Shares issuable to insiders under the New Equity Incentive Plan, within any 12 month period, together with Common Shares reserved for issuance to insiders under all of the Company’s other Security-Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares (calculated as at the date of any grant);
- c) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Common Shares issuable to insiders under the New Equity Incentive Plan, at any point in time, together with Common Shares reserved for issuance to insiders under all of the Company’s other Security-Based Compensation Arrangements, shall not exceed 10% percent of the issued and outstanding Common Shares (calculated as at the date of any grant);

- d) the maximum aggregate number of Common Shares issuable to any one consultant (as defined in the New Equity Incentive Plan) under the New Equity Incentive Plan, within any 12 month period, together with Common Shares issuable to such consultant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed 2% percent of the issued and outstanding Common Shares (calculated as at the date of any grant); and
- e) the maximum aggregate number of Common Shares issuable pursuant to grants of Options to all investor relation service providers performing investor relations activities under the New Equity Incentive Plan, within any 12 month period, shall not in aggregate exceed 2% percent of the issued and outstanding Common Shares (calculated as at the date of any grant). For the avoidance of doubt, persons performing investor relations activities are only eligible to receive Options under the New Equity Incentive Plan; they are not eligible to receive any Performance-Based Award or other type of securities based compensation under the New Equity Incentive Plan.

#### ***Administration of the New Equity Incentive Plan***

The New Equity Incentive Plan shall be administered by the Board and the Board shall have full authority to administer the Equity Incentive Plan, including the authority to interpret and construe any provision of the New Equity Incentive Plan and to adopt, amend and rescind such rules and regulations for administering the New Equity Incentive Plan as the Board may deem necessary in order to comply with the requirements of the New Equity Incentive Plan.

#### ***Eligible Persons under the New Equity Incentive Plan***

When used in connection with the grant of Options, all officers, directors, employees, management company employees and consultants of the Company are eligible to participate in the New Equity Incentive Plan. When used in connection with the grant of Performance-Based Awards, all officers, directors, employees, management company employees and consultants of the Company that do not perform investor relations activities are eligible to participate in the New Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the New Equity Incentive Plan will be determined in the sole and absolute discretion of the Board. Each person who receives a grant under the New Equity Incentive Plan is referred to as a "**Participant**".

#### ***Types of Awards***

Awards of Options, RSUs, PSUs and DSUs may be made under the New Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement.

#### ***Options***

Each Option entitles a holder thereof to purchase a prescribed number of Common Shares at an exercise price determined by the Board at the time of the grant of the Option, provided that the exercise price of a Option granted under the New Equity Incentive Plan shall not be less than the Discounted Market Price (as defined in the New Equity Incentive Plan), provided that if an Option is proposed to be granted by the Company after the Company has just been recalled for trading following a suspension or halt, the Company must wait at least 10 trading days since the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option. Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the date of grant of the Option. The Board may, in its absolute discretion, upon granting Options under the New Equity Incentive Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Common Shares and may designate different exercise prices and numbers of Common Shares in respect of which each Participant may exercise Options during each respective time period. Subject to the discretion of the Board, the Options granted to a Participant under the New Equity Incentive Plan shall vest as determined by the Board on the date of grant of such Options. If the Board does not specify a vesting schedule at the date of grant, then Options granted to persons, other than those conducting investor relations activities, shall vest fully on the date of grant, and in any event in accordance with the policies of the TSXV. Options issued to persons conducting investor relations activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that: (a) no more than 1/4 of the Options vest no sooner than 3 months after the date of grant; (b) no more than another 1/4 of the Options vest no sooner than 6 months after the date of grant; (c) no more than another 1/4 of the Options vest no sooner than 9 months after the date of grant; and (d) the remainder of the Options vest no sooner than 12 months after the date of grant.

If the award agreement for the grant of Options so provides, in the event of a change of control (as defined in the New Equity Incentive Plan), all Options granted to a Participant who ceases to be an eligible person shall become fully vested and shall become exercisable by the Participant in accordance with the terms of such award agreement and the New Equity Incentive Plan. No acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance for Options issued to persons conducting investor relations activities.

Other than as may be set forth in the award agreement for the grant of Options, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with New Equity Incentive Plan.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all Options granted to the Participant under the New Equity Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all Options granted to the Participant under the New Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the New Equity Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12 months after the termination date.

Where a Participant becomes afflicted by a disability, all Options granted to the Participant under the New Equity Incentive Plan will continue to vest in accordance with the terms of such Options; provided, however, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all Options granted to the Participant under the New Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to disability, had vested pursuant to terms of the applicable award agreement, will accrue to the Participant in accordance with the New Equity Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the termination date, or such longer period as may be provided for in the award agreement or as may be determined by the Board, provided such period does not exceed 12 months after the termination date.

Participants may elect to undertake (i) a broker assisted "cashless exercise" pursuant to which the Company or its designee may deliver a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of Options and to deliver promptly to the Company an amount equal to the exercise price and all applicable required withholding obligations against delivery of the Common Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Company withholding the minimum number of Common Shares otherwise deliverable in respect of an Option that are needed to pay for the exercise price and all applicable required withholding obligations, such that the number of Common Shares received by the Participant is equal to the quotient obtained by dividing: (A) the product of the number of Options being exercised multiplied by the difference between the VWAP (as defined in the New Equity Incentive Plan) of the underlying Common Shares and the exercise price of the subject Options; by (B) the VWAP of the underlying Common Shares. A "net exercise" may not be undertaken by Participants engaged in investor relations activities.

#### *Restricted Share Units*

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the New Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the New Equity Incentive Plan. All RSUs will vest and become payable by the issuance of Common Shares at the end of the restriction period if all applicable restrictions have lapsed, as such restrictions may be specified in the award agreement.

RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable award agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time a RSU is granted. The Board shall determine any vesting terms applicable to the grant of RSUs, however, no RSUs may vest before the date that is 12 months following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the New Equity Incentive Plan) pursuant to which a Participant ceases to be an eligible person, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant in accordance with the New Equity Incentive Plan.

Upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant's estate in accordance with the New Equity Incentive Plan.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all RSUs granted to the Participant under the New Equity Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date. Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all RSUs granted to the Participant under the New Equity Incentive Plan that have not vested will, subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the New Equity Incentive Plan.

Where a Participant becomes afflicted by a disability, all RSUs granted to the Participant under the New Equity Incentive Plan will continue to vest in accordance with the terms of such RSUs; provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all RSUs granted to the Participant under the New Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to disability, had vested pursuant to terms of the applicable award agreement will accrue to the Participant in accordance with the New Equity Incentive Plan.

As soon as practicable after each vesting date of a RSU, the Company shall, at the sole discretion of the Board, either: (a) issue to the Participant from treasury the number of Common Shares equal to the number of RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the New Equity Incentive Plan) on the next trading day after the vesting date of the RSUs, net of applicable withholdings.

#### *Performance Share Units*

A PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the New Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares.

Subject to the provisions of the New Equity Incentive Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of PSUs to eligible persons that do not perform investor relations activities. The number of PSUs to be awarded to any Participant shall be determined by the Board, in its sole discretion, in accordance with the New Equity Incentive Plan. Each PSU shall, contingent upon the attainment of the performance criteria within the performance cycle, represent one Common Share.

The Board will select, settle and determine the performance criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An award agreement may provide the Board with the right to revise the performance criteria and the award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the performance criteria unfair unless a revision is made.

All PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied in the performance cycle, the determination of which satisfaction shall be made by the Board on the determination date. No PSU may vest before the date that is 12 months following the date of the award. If the award agreement so provides, in the event of a change of control (as defined in the New Equity Incentive Plan) pursuant to which a Participant ceases to be an eligible person, all PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any performance criteria) and shall become payable to the Participant in accordance with the New Equity Incentive Plan.

Other than as may be set forth in the applicable award agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will

vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all PSUs granted to the Participant under the New Equity Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date. Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all PSUs granted to the Participant which have not vested will, unless the award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant becomes afflicted by a disability, all PSUs granted to the Participant under the New Equity Incentive Plan will continue to vest in accordance with the terms of such PSUs; provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all PSUs granted to the Participant under the New Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Payment to Participants in respect of vested PSUs shall be made after the determination date for the applicable award and in any case within 90 days after the last day of the performance cycle to which such award relates. The Company shall, at the sole discretion of the Board, either: (a) issue to the Participant the number of Common Shares equal to the number of PSUs that have vested on the Determination Date; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the New Equity Incentive Plan) on the next trading day after the determination date of the PSUs that have vested, net of applicable withholdings.

#### *Deferred Share Units*

A DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the New Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares.

Subject to the provisions of the New Equity Incentive Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of DSUs to directors that do not perform investor relations activities in lieu of fees (including annual Board retainers, chair fees, meeting attendance fees or any other fees payable to a director) or to other eligible persons that do not perform investor relations activities as compensation for employment or consulting services. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the New Equity Incentive Plan. The number of DSUs shall be specified in the applicable award agreement. Each director may elect to receive any or all of their fees in DSUs under the New Equity Incentive Plan.

The number of DSUs shall be calculated by dividing the amount of Fees selected by a director by the Market Unit Price (as defined in the New Equity Incentive Plan) on the grant date (or such other price as required under the Policies of the TSXV) which shall be the 10th business day following each financial quarter end. Any fractional DSU shall be rounded down and no payment or other adjustment will be made with respect to the fractional DSU.

No Deferred Share Units may vest before the date that is 12 months following the date of the award of the DSU.

Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an eligible person for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date after the Participant ceases to be an eligible person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an eligible person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an eligible person, at the sole discretion of the Board, either: (a) that number of Common Shares equal to the number of vested DSUs credited to the participant's account, such Common Shares to be issued from treasury of the Company; or (b) a cash payment in an amount equal to the Market Unit Price on the next trading day after the Participant ceases to be an eligible person of the vested DSUs, net of applicable withholdings.

In the event that the value of a DSU would be determined with reference to a period commencing at a fiscal quarter end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the DSUs will be made to the Participant with reference to the five (5) trading days

immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).

Upon death of a Participant holding DSUs that have vested, the Participant's estate shall be entitled to receive, within one year of the Participant's death and at the sole discretion of the Board, a cash payment or Common Shares that would have otherwise been payable in accordance with the New Equity Incentive Plan to the Participant upon such Participant ceasing to be an eligible person.

### ***General Provisions of the New Equity Incentive Plan***

#### *Non-Transferability*

No Option or Performance-Based Award and no right under any such Option or Performance-Based Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Policies of the TSXV. No Option or Performance-Based Award and no right under any such Option or Performance-Based Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

#### *Black-out Periods*

In the event that the date provided for expiration, redemption or settlement of an award falls within a blackout period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed material information, the expiry date, redemption date or settlement date, as applicable, of the award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the blackout period. Notwithstanding the foregoing, there will be no extension of any award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).

#### *Deductions*

Whenever cash is to be paid in respect of DSUs, RSUs or PSUs, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Common Shares are to be delivered in respect of DSUs, RSUs or PSUs, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Common Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement, all in accordance with the Policies of the TSXV, by delivering (on a form prescribed by the Company and in any event in accordance with the Policies of the TSXV) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Common Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

#### *Amendments to the New Equity Incentive Plan*

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of Shareholders, amend, suspend, terminate or discontinue the New Equity Incentive Plan and may amend the terms and conditions of any Options or Performance-Based Awards granted hereunder, subject to:

- a) any required disinterested shareholder approval to (i) reduce the exercise price of a Option or Performance-Based Award issued to an insider or (ii) extend the term of a Option granted to an insider, in either event, in accordance with the Policies of the TSXV while the Common Shares are listed on the TSXV;
- b) any required approval of any applicable regulatory authority or the TSXV; and
- c) any approval of Shareholders as required by the Policies of the TSXV (or otherwise required by the TSXV) or applicable law, provided that shareholder approval shall not be required for the following amendments (except that the TSXV may require approval of the Shareholders for amendments under items (c)(iii) to (c)(vii) below) and the Board may make any changes which may include but are not limited to:
  - i. amendments of a "housekeeping nature";
  - ii. amendments for the purpose of curing any ambiguity, error or omission in the New Equity Incentive Plan or to correct or supplement any provision of the New Equity Incentive Plan that is inconsistent with any other provision of the New Equity Incentive Plan;
  - iii. amendments which are necessary to comply with applicable law or the requirements of the TSXV;

- iv. amendments respecting administration and eligibility for participation under the New Equity Incentive Plan;
- v. amendments to the terms and conditions on which Options or Performance-Based Awards may be or have been granted pursuant to New Equity Incentive Plan including amendments to the vesting provisions and terms of any Options or Performance-Based Awards;
- vi. with the exception of Options granted to persons performing investor relations activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Options or Performance-Based Awards; and
- vii. changes to the termination provisions of an Option, Performance-Based Award or the New Equity Incentive Plan which do not entail an extension beyond the original fixed term.

### **Resolutions Regarding the Adoption of the New Equity Incentive Plan**

At the Meeting, Shareholders will be asked to consider, and if thought fit, to approve the following ordinary resolution:

**“BE IT HEREBY RESOLVED THAT,** as an ordinary resolution:

1. the Equity Incentive Plan, in the form attached as Appendix “B” to the information circular of the Company dated as of October 26, 2022 (the “**Circular**”), including the reservation for issuance under the New Equity Incentive Plan of security-based compensation arrangements of up to a maximum of 10% of the issued and outstanding Common Shares from time to time, be and is hereby ratified, confirmed and approved, subject to the acceptance of the New Equity Incentive Plan by the TSXV.
2. the Board be and is hereby authorized, in its absolute discretion, to administer the New Equity Incentive Plan and amend or modify the Equity Incentive Plan in accordance with its terms and conditions and with the policies of the TSXV; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the New Equity Incentive Plan required by the TSXV or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the New Equity Incentive Plan.”

**Management of the Company recommends that Shareholders vote in favour of the ordinary resolution to approve and adopt the New Equity Incentive Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval and adoption of the New Equity Incentive Plan.**

### **4. Other Business**

Management of the Company is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee (“**Audit Committee**”) and its relationship with its independent auditor, as set forth in the following:

#### **The Audit Committee’s Charter**

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Appendix A.

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

The current members of the Audit Committee are Susanne Hermans (Chair), Lawrence Roulston and David Watkins. All members of the Audit Committee are considered to be financially literate. All members are independent members of the Audit Committee.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

### **Relevant Education and Experience**

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

**Susanne Hermans** is an international business consultant with over 25 years of experience advising global public companies, including Newmont Goldcorp. She has business experience in France, Australia, Canada, the United States, and Switzerland. Mrs. Hermans began her career at Swiss Bank Corp. (now known as UBS). In the mid-90's Susanne joined TSX/NYSE-listed mid-tier Golden Star Resources as its Financial Analyst. She later took on the position of VP Finance & CFO with publicly traded, French gold royalty company EURO Ressources S.A. There she took on increasing roles and participated in investor relations, equity financing, corporate development, joint ventures, royalty options, and repurchase programs. Subsequent to her roles, she now serves as an Independent Board Member of EURO Ressources S.A. Mrs. Hermans is a Chartered Global Management Accountant, Certified Public Accountant in the State of Colorado. Susanne was born in Switzerland where she completed an MBA in Organizational and Managerial Leadership as well as her Bachelor of Science in Business Administration. She received a Master of Science in Accounting at the University of Colorado. She is currently a Member of the CU Denver Accounting Advisory Council.

**Lawrence Roulston** is a mining professional with a B.Sc. in geology and over 35 years of diverse experience in the mining industry. He is Managing Director of WestBay Capital Advisors, providing business advisory and capital markets expertise to the junior and mid-tier sectors of the mining industry. Previously, he was president of a company which provided resource advisory services for US private investors. Before that, he was a mining analyst and consultant, as well as the editor of "Resource Opportunities", an independent investment publication focused on the mining industry. For the first 20 years of his career, Mr. Roulston was involved in management of both large and junior resource companies. In addition to his position as the Managing Director of WestBay Capital Advisors he is the President, CEO and a Director of Mountain Boy Minerals Ltd.

**David Watkins** is an international mining executive and trained geologist with over 50 years of experience building and managing mining companies. His work throughout the world has resulted in the discovery, development and operation of 15 successful precious and base metal mines throughout North and South America, Australia, and Africa. Mr. Watkins currently serves as Director of EURO Ressources S.A. | Gold Royalties (90% owned IAMGOLD France S.A.S.), Golden Minerals Co., and Commander Resources. Mr. Watkins graduated with a M.Sc. in Geology from Carleton University in 1970, a B.A. in Geology from Queen's University in 1967, and is a graduate of the Executive Business Program at the University of Western Ontario. Mr. Watkins is a member of the Canadian Institute of Mining and Metallurgy, Geological Association of Canada, Geological Society of Nevada, and Prospectors and Developers Association of Canada.

Each member of the Company's present and proposed Audit Committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

## Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor.

## Reliance on Certain Exemptions

The Company's auditors, Manning Elliott LLP, Chartered Accountants, have not provided any material non-audit services.

## 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 Audit Committee has reviewed the nature and amount of the non-audited services provided to the Company by Davidson & Company LLP, prior to March 22, 2021, and by Manning Elliott LLP subsequent to March 22, 2021 to ensure auditor independence. The following table outlines the fees paid by the Company to Davidson & Company LLP and Manning Elliott LLP for audit and non-audit services in the last two financial years:

<u>Nature of Services</u>	<u>Fees Paid to Auditor in Financial Year Ended September 30, 2021</u>	<u>Fees Paid to Auditor in Financial Year Ended September 30, 2022</u>
Audit Fees <sup>(1)</sup>	\$59,000	\$55,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$6,500	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total:</b>	<b><u>\$65,500</u></b>	<b><u>\$55,000</u></b>

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated 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

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 *De Minimis Non-audit Services* or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

## CORPORATE GOVERNANCE

### General

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) were adopted in each of the provinces and territories of Canada. NI 58-101

requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators have adopted NI 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the Canadian Securities Administrators have implemented NI 58-101, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

## **Board of Directors**

### **Independence of Members of Board**

The Company's Board consists of five Directors, three of whom are currently independent based upon the tests for independence set forth in NI 52-110. Lawrence Roulston, David Watkins and Susanne Hermans are independent. Cole Evans is not independent as he is the CEO of the Company. Maurizio Napoli may not be considered independent, as he is the P. Geo of the Company.

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 the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The plenary Board reviews executive compensation and recommends stock option and other equity incentive grants.

## **Directorships**

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>
Susanne Hermans	EURO Ressources S.A
David Watkins	Golden Minerals Company EURO Ressources S.A Commander Resources Ltd.
Lawrence Roulston	Mountain Boy Minerals Ltd. Metalla Royalty & Streaming Limited Palladium One Mining Inc. Silver Hammer Mining Corp. Thunderstruck Resources Ltd.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

## **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## **Nomination of Directors**

The Board, in conjunction with the Governance and Nominating Committee, considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

## **Compensation**

The Compensation Committee determines compensation for the directors and CEO.

## **Other Board Committees**

In addition to the Audit Committee, the Company has established a Compensation Committee and a Governance and Nomination Committee. The Governance and Nominating Committee and the Compensation Committee members consist of three independent members: David Watkins, Lawrence Roulston and Susanne Hermans.

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

## **COMPENSATION OF EXECUTIVE OFFICERS**

### **Executive Compensation**

The Board has delegated to its Compensation Committee the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Compensation committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Compensation Committee receives independent competitive market information on compensation levels for executives.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), equity incentive grants and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

### *Philosophy and Objectives*

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof has historically granted options under the Legacy Plan (as defined below) and, subject to receipt of all applicable approvals, will in the future grant awards in accordance with the New Equity Incentive Plan.

### *Equity Participation*

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Historically, equity participation has been accomplished through the issuance of founder's shares and the Company's Legacy Plan. Assuming the receipt of all applicable approvals, going forward the Company would anticipate making grants of options and other equity grants under the New Equity Incentive Plan. Equity grants are granted to executives and employees taking into account a number of factors, including the amount and term of securities previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of securities granted are determined by the Board.

Given the evolving nature of the Company's business, the Compensation Committee continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

### **Option-Based Awards**

The Company currently has a 10% rolling stock option plan dated August 27, 2009 (the “**Legacy Plan**”) to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company.

Effective November 24, 2021, the TSXV adopted Policy 4.4 governing security based compensation for issuers listed on the facilities of the TSXV. The changes brought by Policy 4.4 generally relate to the expansion of the TSXV’s security-based compensation policies to cover a number of forms of security based compensation in addition to stock options. In order to comply with the changes brought forth by Policy 4.4 since the ratification of the Legacy Plan, the Company wishes to adopt the New Equity Incentive Plan.

Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The Board anticipates employing a similar approach should the New Equity Incentive Plan be approved for adoption.

The Legacy Plan is and, if approved, the New Equity Incentive Plan will be, administered by the Board and provide that securities will only be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

### **Summary Compensation Table**

In this section “Named Executive Officer” (“NEO”) means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

During the year ended September 30, 2022, the NEOs of the Company were as follows:

- Cole Evans, CEO
- Malcolm Davidson, CFO

The following table is a summary of compensation paid, payable, awarded or granted to each director and NEO for the financial years ended September 30, 2022 and 2021.

<b>Table of Compensation Excluding Compensation Securities</b>							
<b>Name &amp; position</b>	<b>Year<sup>(1)</sup></b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of Perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Cole Evans CEO and Director <sup>(1)</sup>	2022	180,000	Nil	Nil	Nil	Nil	180,000
	2021	180,000	Nil	Nil	Nil	Nil	180,000
Malcolm Davidson, CFO <sup>(2)</sup>	2022	120,000	Nil	Nil	Nil	Nil	120,000
	2021	120,000	Nil	Nil	Nil	Nil	120,000
Susanne Hermans, Director <sup>(3)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
David Watkins, Director <sup>(4)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Lawrence Roulston, Director	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Maurzio Napoli, Director, VP Exploration <sup>(5)</sup>	2022 2021	12,293 14,744	Nil Nil	Nil Nil	Nil Nil	Nil Nil	12,293 14,744

Notes:

- (1) Mr. Evans was appointed CEO and a Director on January 16, 2020. Fees were paid to Catalina Discoveries Ltd., a company controlled by Mr. Evans.
- (2) Mr. Davidson was appointed CFO on June 29, 2020. Fees were paid to Malcolm Davidson, CPA Inc, a company controlled by Mr. Davidson.
- (3) Ms. Hermans was appointed a Director on June 24, 2020.
- (4) Mr. Watkins was appointed a Director on March 21, 2020.
- (5) Mr. Napoli was the Company's interim CEO between September 2019 and January 16, 2020.

### Stock Options and Other Compensation Securities Table

The following table provides information disclosing the compensation securities granted or issued to each NEO and director during the most recently completed financial year ended September 30, 2022:

Compensation Securities							
Name and position	Type of compensation security	# of compensation securities, # of underlying securities & % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
						September 30, 2022	
Cole Evans, CEO, and Director <sup>(1)</sup>	NA	NA	NA	NA	NA	NA	NA
Malcolm Davidson, CFO <sup>(2)</sup>	NA	NA	NA	NA	NA	NA	NA
Susanne Hermans, Director <sup>(3)</sup>	NA	NA	NA	NA	NA	NA	NA
David Watkins, Director <sup>(4)</sup>	NA	NA	NA	NA	NA	NA	NA
Lawrence Roulston, Director	NA	NA	NA	NA	NA	NA	NA
Maurzio Napoli, VP Exploration and Director <sup>(5)</sup>	NA	NA	NA	NA	NA	NA	NA

Notes:

- (1) Mr. Evans was appointed CEO and a Director on January 16, 2020.
- (2) Mr. Davidson was appointed CFO on June 29, 2020.

- (3) Ms. Hermans was appointed a Director on June 24, 2020.
- (4) Mr. Watkins was appointed a Director on March 21, 2020.
- (5) Mr. Napoli was the Company's interim CEO between September 2019 and January 16, 2020.

### **Exercise of Compensation Securities by Directors and NEOs**

No NEO or director of the Company has exercised a compensation security during the most recently completed fiscal year ended September 30, 2022.

### **Stock Option Plans and Other Incentive Plans**

The stock options issued to the NEO and directors of the Company were issued pursuant to Legacy Plan, a rolling 10% stock option plan. At the Meeting, Shareholders will be asked to consider the adoption of the New Equity Incentive Plan. Please see "*Business of the Meeting – Adoption of New Equity Incentive Plan*" for specific details concerning the New Equity Incentive Plan.

### **Employment, Consulting and Management Agreements**

During the financial year ended September 30, 2022, the Company was party to consulting agreements (collectively, the "**Consulting Agreements**") with each of Cole Evans (CEO) and Malcolm Davidson (CFO) (collectively, the "**Executives**"). The Consulting Agreements between the Company and the Executives are substantially similar and provide the following key terms:

In consideration of the services to be rendered, the Executive shall be entitled to: (i) be paid a fee at the time and pursuant to the procedures regularly established by the Company, (ii) subject to Board and regulatory approval, to participate in the Plan, (iii) to be reimbursed for reasonable expenses incurred in the performance of his duties and in accordance with the Company's general policies; and (iv) to be reimbursed for reasonable costs incurred to maintain his professional designations required to perform the required services.

The Consulting Agreements provide that the agreement may be terminated: (i) by the Company if the Consultant fails to remedy any deficiency or default in provided the services thereunder after having been given notice of the deficiency or default and a reasonable opportunity to remedy the deficiency or default; or (ii) by either party without cause or penalty by providing the other with 90 days' notice in writing. Upon termination of the Consulting Agreement, the Company shall not be required to make any further payments to the Executive except for unpaid invoices.

In the event of "Change of Control" the Executive may elect to give the Company notice within six (6) months of the effective date of such Change of Control, and if the Executive so elects to terminate this Agreement, then the Executive will be immediately entitled to a termination payment equal to 24 months of their base salary and any unpaid cash bonuses. Further, all unvested equity options granted to the Executive shall vest immediately.

A "Change of Control" is defined in the Consulting Agreements as:

- (i) any person, entity or group becomes the beneficial owner of 50% or more of the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors, and such person, entity or group uses such effective voting control to change a majority of the Board of Directors of the Company either all at once or through any series of elections and appointments when considered together; or
- (ii) completion of the sale or other disposition by the Company of all or substantially all of the Company's assets or a reorganization or merger or consolidation of the Company with any other entity or corporation, other than:
- (iii) a reorganization or merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent, either by remaining outstanding or by being converted into voting securities of another entity, more than 50.1% of the combined voting power of the voting securities of the Company or such other entity outstanding immediately after such reorganization or merger or consolidation; or
- (iv) a reorganization or merger or consolidation effected to implement a recapitalization or reincorporation of the Company (or similar transaction) that does not result in a material change in beneficial ownership of the voting securities of the Company or its successor.

## **Oversight and Description of Director and Named Executive Officer Compensation**

The determination of director and NEO compensation and how and when such compensation is to be determined is subject to the consideration of the Board, as disclosed in more detail above under “*Corporate Governance*”

### **Pension Benefits**

The Company does not provide any pension benefits to its NEOs or directors.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company currently has the Legacy Plan in place which was last approved by Shareholders at the Company’s annual general and special meeting of shareholders held in December, 2020. At the Meeting, Shareholders will be asked to consider the adoption of the New Equity Incentive Plan. Please see “*Business of the Meeting – Adoption of New Equity Incentive Plan*” for specific details concerning the New Equity Incentive Plan.

The following table sets out equity compensation plan information as at the year ended September 30, 2022, utilizing the Legacy Plan:

	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by securityholders	9,270,000	\$0.14	14,829,494
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total:</b>	<b>9,270,000</b>	<b>\$0.14</b>	<b>14,829,494</b>

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No individual who is or who at any time during the last financial year was a director or executive officer or employee of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth herein or as previously disclosed, the Company is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, or any shareholder holding more than 10% of the voting rights attached to the Common Shares or an associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Company which has or will materially affect the Company. There are potential conflicts of interest to which the directors and officers of the Company will be subject in connection with the operations of the Company. In particular, certain of the directors and officers of the Company are involved in managerial and/or director positions with other companies whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company.

Conflicts, if any, will be subject to the procedures and remedies available under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). The BCBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA

### **LEGAL PROCEEDINGS**

There are no pending legal proceedings to which the Company is or is likely to be a party or of which any of its properties are, or to the best of knowledge of management of the Company is likely to be subject.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

### **BOARD APPROVAL**

The undersigned hereby certifies that the contents and the sending of this Circular to the Shareholders have been approved by the Board.

Dated at Kelowna, British Columbia this 26<sup>th</sup> day of October 2022.

### **BY ORDER OF THE BOARD OF DIRECTORS**

### **ENDURO METALS CORPORATION**

“*Cole Evans*”

Cole Evans,  
CEO and Director

**APPENDIX A -  
AUDIT COMMITTEE CHARTER**

**AUDIT COMMITTEE CHARTER AND GUIDELINES**

***Statement of Policy of the Company***

The purpose of the Company's audit committee (the "Audit Committee") is to assist the Board of Directors of the Company (herein the "Board") in discharging its responsibilities with respect to the accounting policies, internal controls and financial reporting of the Company. The Audit Committee is also responsible for monitoring compliance with applicable laws and regulations, standards of ethical business conduct and the systems of internal controls. The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any, director, officer or employee of the Company or the Company's outside counsel or independent auditor, to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The guidelines of the TSX Venture Exchange Inc. and the Toronto Stock Exchange (collectively, the "Exchange Guidelines") suggest that the Board of every listed company should be constituted with a majority of individuals who qualify as "unrelated" directors. An "unrelated" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Company other than interest and relationships arising from shareholding. In addition, where a company has a significant shareholder, the Exchange Guidelines suggest that the Board should include a number of directors who do not have interests in either the Company or the significant shareholder. In assessing the Exchange Guidelines and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

***Mandate of the Board of Directors***

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

***Meetings of the Board of Directors***

The Board meets to deal with matters as circumstances require. The Board transacts its business by circulating resolutions for signature by all directors.

***Mandate of the Audit Committee***

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Audit Committee's primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- (b) review and assess management's overall process to identify principal risks that could affect the achievement of the Company's business plans and to monitor the process to manage such risks;
- (c) oversee and monitor the Company's compliance with legal and regulatory requirements;
- (d) be directly responsible for the appointment, compensation and oversight of the external auditors;
- (e) oversee audits of the Company's financial statements;
- (f) oversee and monitor the qualifications, independence and performance of the Company's external auditors and internal auditing department;

- (g) oversee and monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- (h) provide an avenue of communication among the external auditors, management, the internal auditing department and the Board; and
- (i) report to the Board regularly.

The Audit Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Audit Committee shall have unrestricted access to personnel and information and any resources necessary to carry out its responsibility. In this regard the Audit Committee may direct internal audit personnel to particular areas of examination.

### ***Operation of the Audit Committee***

#### *Reporting of the Audit Committee*

The Audit Committee shall report to the Board. The full Board shall be kept informed of the Audit Committee's activities by a report following each Audit Committee meeting.

#### *Composition of the Audit Committee*

The Audit Committee shall consist of not less than three directors as determined by the Board of Directors, the majority of whom shall qualify as unrelated directors and who are free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

All members of the Audit Committee shall have the financial literacy to be able to read and understand the Company's financial statements and to understand the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one member shall have acquired, through: (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions; (ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (iv) other relevant experience:

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) the ability to assess the general application of such principles in connection with the accounting for estimates accruals and reserves;
- (c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (d) an understanding of internal controls and procedures for financial reporting; and
- (e) an understanding of audit committee functions.

Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board first determines that such simultaneous service will not impair the ability of the relevant members to effectively serve on the Audit Committee, and required public disclosure is made.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purpose of the Company's Audit Committee Charter, as may be determined by the Board from time to time (herein the "*Audit Committee Charter*"), the definition of "*financially literate*" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are

generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

*Appointment of Audit Committee members*

Members of the Audit Committee shall be appointed at a meeting of the Board typically held immediately after the Company's annual shareholders' meeting; provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Audit Committee upon ceasing to be a member of the Board.

*Vacancies*

Where a vacancy occurs at any time in the membership of the Audit Committee it may be filled by the Board.

*Chairperson*

The Company's Corporate Governance Committee will recommend an unrelated director as Chairperson of the Audit Committee to the Board for approval. The Board shall appoint the Chairperson of the Audit Committee.

If the Chairperson of the Audit Committee is not present at any meeting of the Audit Committee, one of the other members of the Audit Committee present at the meeting shall be chosen by the Audit Committee to preside as Chairperson.

The Chairperson presiding at any meeting shall not have a casting vote.

*Secretary*

The Audit Committee shall appoint a Secretary who need not be a member of the Audit Committee or a director of the Company. The Secretary shall keep minutes of the meetings of the Audit Committee.

*Compensation*

Audit Committee members may not, other than in their respective capacities as members of the Audit Committee, the Board or any other committee of the Board, accept any consulting, advisory or other compensatory fee from the Company or its affiliates. For greater certainty, director's fees are the only compensation an Audit Committee member may receive from the Company or its affiliates.

*Meetings of the Audit Committee*

The Audit Committee shall meet at least quarterly at the call of the Chairperson. The Chairperson of the Audit Committee may call additional meetings as required. In addition, a meeting may be called by any director or by the external auditors. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Audit Committee meetings may be held in person, by video-conference, by means of telephone or by any combination of any of the foregoing.

*Notice of meetings*

Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by electronic communication to each member of the Audit Committee and to external auditors at least 48 hours prior to the time fixed for such meeting.

A member and the external auditors may, in any manner, waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

*Quorum*

A majority of Audit Committee members, present in person, by videoconference, by telephone or by a combination thereof, shall constitute a quorum.

*Attendance at meetings*

The Chief Executive Officer, the Chief Financial Officer, the Controller and the head of internal audit of the Company are expected to be available to attend meetings, but a portion of every meeting will be reserved for in camera discussion without members of management being present.

The Audit Committee should meet on a regular basis and without management present, with the external auditors and management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.

The Audit Committee may by specific invitation have other persons in attendance.

The Audit Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Audit Committee.

#### *Minutes*

Minutes of Audit Committee meetings shall be sent to all Audit Committee members and to the external auditors.

#### *Engaging outside resources*

The Audit Committee is empowered to engage outside resources, as it deems advisable, at the expense of the Company.

### ***Major responsibilities and functions of the Audit Committee***

#### *Review procedures*

The Audit Committee shall review and update the Audit Committee's Charter at least annually and provide a summary of the Audit Committee's composition and responsibilities in the Company's annual report or other public disclosure documentation.

#### *Annual financial statements*

1. The Audit Committee shall discuss and review with management and the external auditors the Company's annual audited financial statements and related documents prior to their filing or distribution. Such a review is to include but not be limited the following:
  - (a) the annual financial statements and related footnotes, including significant issues regarding accounting policies and practices and significant management estimates and judgments, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any specific steps adopted in light of material control deficiencies;
  - (b) a review of the use of off-balance sheet financing, including management's risk assessment and adequacy of disclosure;
  - (c) a review of the external auditors' audit examination of the financial statements and their report thereon;
  - (d) a review of any significant changes required in the external auditors' audit plan;
  - (e) a review of any serious difficulties or disputes with management encountered during the course of the audit, including any restrictions on the scope of the external auditors' work or access to required information;
  - (f) a review of other matters related to the conduct of the audit which are to be communicated to the Audit Committee under generally accepted auditing standards;
  - (g) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
  - (h) other material written communications between the external auditors and management, such as any management letter or schedule of unadjusted differences.
2. Review and formally recommend approval to the Board of:
  - (a) the Company's year-end audited financial statements;
  - (b) the Company's management's discussion and analysis;
  - (c) the Company's annual information forms and
  - (d) all Company prospectuses and information circulars as to financial information.

The review shall include a report from the external auditors about the quality of the most critical accounting principles upon which the Company's financial status depends, and which involve the most complex, subjective or significant judgmental decisions or assessments.

*Quarterly financial statements*

3. The Audit Committee shall review with management and the external auditors and either approve (such approval to include the authorization for public release) or formerly recommend for approval to the Board of the Company's:
  - (a) quarterly unaudited financial statements and related documents, including management's discussion and analysis; and
  - (b) any significant changes to the Company's accounting principles.
4. The Audit Committee shall review and discuss quarterly reports from the external auditors regarding:
  - (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and
  - (c) other material written communications between the external auditors and management, such as any management letter or schedule or unadjusted differences.

*Internal control environment*

5. The Audit Committee shall ensure that management provides the Audit Committee with an annual report on the Company's control environment as it pertains to the Company's financial reporting process and controls.
6. The Audit Committee shall review and discuss significant financial risks or exposures and assess the steps management has taken to monitor, control, report and mitigate such risk to the Company.
7. The Audit Committee shall review the effectiveness of the overall process for identifying the principal risks affecting the achievement of business plans and provide the Audit Committee's view to the Board.
8. The Audit Committee shall review significant findings prepared by the external auditors and the internal auditing department together with management's responses.
9. The Audit Committee shall review, in consultation with the internal auditors and the external auditors, the degree of coordination in the audit plans of the internal auditors and the external auditors, and enquire as to the extent the planned scope can be relied upon to detect weaknesses in internal controls, fraud or other illegal acts.

*Other review items*

10. The Audit Committee shall review policies and procedures with respect to officers' and directors' expense accounts and prerequisites, including their use of corporate assets, and consider the result of any review of these areas by the internal auditor or the external auditors.
11. The Audit Committee shall review all insider transaction and related party transactions between the Company and any officers or directors.
12. The Audit Committee shall review with Company counsel, the head of internal audit and the external auditors the result of their review of the Company's monitoring compliance with each of the Company's published codes of business conduct and applicable legal requirements.
13. The Audit Committee shall review legal and regulatory matters, including correspondence with regulators and governmental agencies that may have material impact on the interim or annual financial statements, related Company compliance policies and programs and reports received from regulators or governmental agencies.
14. The Audit Committee shall review policies and practices with respect to off-balance sheet transactions and trading and hedging activities, and consider the results of any review of these areas by the internal auditors or the external auditors.
15. The Audit Committee shall review with the President, the Chief Executive Officer and the Chief Financial Officer of the Company and the external auditors: (i) all significant deficiencies identified and material weakness in the design of operation of the Company's internal controls and procedures for financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial information required to be disclosed by the Company in the reports that it files or submits with all regulatory bodies having jurisdiction over the affairs of the Company within the required time periods; and (ii) any fraud, whether or not material, that involves management of the Company or other employees who have significant role in the Company's internal controls and procedures for financial reporting.

*External auditors*

16. The Audit Committee shall be directly responsible, in the Audit Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for the appointment, compensation and oversight of the work of the external auditors (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditors shall report directly to the Audit Committee.
17. The Audit Committee shall meet on a regular basis with the external auditors (without management present) and have the external auditors available to attend Audit Committee meetings or portions thereof at the request of the Chair of the Audit Committee or by a majority of the members of the Audit Committee.
18. The Audit Committee shall review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Company and its affiliates in order to determine the external auditors' independence including, without limitation: (i) receiving and reviewing, as a part of the report described in the preceding paragraph, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Company and its affiliates; (ii) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors; and (iii) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence.
19. The Audit Committee shall review and evaluate:
  - (a) the external auditors and the lead partner of the external auditors' team's performance, and make recommendation to the Board regarding the reappointment of the external auditors at the annual meeting of the Company's shareholders or regarding the discharge of such external auditors;
  - (b) the terms of engagement of the external auditors, together with their proposed fees;
  - (c) external audit plans and results;
  - (d) any other related audit engagement matters; and
  - (e) the engagement of the external auditors to perform non-audit services, together with the fees therefore, and the impact thereof, on the independence of the external auditors.
20. Upon reviewing and discussing the information provided to the Audit Committee in accordance with paragraphs 18 and 19 hereinabove, evaluating the external auditors' qualifications, performance and independence, and the provision of permitted non-audit services as compatible with maintaining auditor independence, taking into account the opinions of management and the head of internal audit. The Audit Committee shall present its conclusions with respect to the external auditors to the Board.
21. The Audit Committee shall ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner for reviewing the audit as required by law. Consider whether, in order to assure continuing external auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis.
22. The Audit Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the external auditors who participate in any capacity in the audit of the Company.
23. The Audit Committee shall consider with management and the external auditors the rationale for employing audit firms other than the principal external auditors, including a review of management consulting services and related fees provided by the external auditors compared to those of other audit firms.

*Internal audit department and legal compliance*

24. The Audit Committee shall meet with the internal auditors as required, but in any event at least quarterly.
25. The Audit Committee shall review and concur in the appointment, replacement, reassignment or dismissal of the lead of internal audit.
26. The Audit Committee shall confirm and assure, annually, the independence of the internal audit department.
27. The Audit Committee shall consider and review with management, the external auditors and the head of internal audit:
  - (a) significant findings during the year and management's responses and follow-up thereto;
  - (b) any difficulties encountered in the course of their audits, including any restriction on the scope of their work or access to required information;
  - (c) any changes required in the planned scope of their audit plan;

- (d) the resources, budget, reporting relationships and planned activities of the internal auditors;
- (e) the internal audit department charter; and
- (f) internal audit's compliance with the IIA's Standards for the Professional Practice of Internal Auditing (Standards).

*Approval of audit and non-audit services*

- 28. The Audit Committee shall review and, where appropriate, approve the provision of all permitted non-audit services (including the fees and terms thereof) in advance of the provisions of those services by the external auditors (subject to the *de minimis* exception for non-audit services prescribed in applicable legislation which are approved by the Audit Committee prior to the completion of the audit).
- 29. The Audit Committee shall review and, where appropriate and permitted, approve the provision of all audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors.
- 30. If the pre-approvals contemplated in paragraphs 28 and 29 hereinabove are not obtained, approve, where appropriate and permitted, the provisions of all audit and non-audit services promptly after the Audit Committee or a member of the Audit Committee to whom authority is delegated becomes aware of the provision of those services.
- 31. The Audit Committee shall delegate, if the Audit Committee deems necessary or desirable, to sub-committees consisting of one or more members of the Audit Committee, the authority to grant the pre-approvals and approvals described in paragraphs 28 through 30 hereinabove. The decision of any such sub-committee to grant pre approval shall be presented to the full Audit Committee at the next scheduled Audit Committee meeting.

*Other matters*

- 32. The Audit Committee shall review and concur in the appointment, replacement, reassignment or dismissal of the Chief Financial Officer.
- 33. The Audit Committee shall review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
- 34. The Audit Committee shall report Audit Committee actions to the Board with such recommendations as the Audit Committee may deem appropriate.
- 35. The Audit Committee shall conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities.
- 36. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.
- 37. The Audit Committee shall review and reassess the adequacy of this Audit Committee Charter annually and recommend any proposed changes to the Board for approval.
- 38. The Audit Committee shall evaluate its performance annually.
- 39. The Audit Committee shall perform such other functions as required by law, the Company's Audit Charter, the Company's Articles or the Board.
- 40. The Audit Committee shall consider any other matters referred to it by the Board.
- 41. The Audit Committee shall establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters; and (ii) the confidential submission by employees of the Company of concerns regarding questionable accounting controls or auditing matters.

**APPENDIX B**

**ENDURO METALS CORPORATION**  
(the “Company”)

**NEW EQUITY INCENTIVE PLAN**

**ENDURO METALS CORPORATION**  
(the “**Company**”)

**EQUITY INCENTIVE PLAN**

**SECTION 1 - ESTABLISHMENT AND PURPOSE OF THIS PLAN**

**1.01 Purpose**

The purpose of this equity incentive plan (the “**Plan**”) is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of Eligible Persons (as defined below); (ii) encouraging such Eligible Persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

**SECTION 2 - DEFINITIONS**

**2.01 Definitions**

As used in this Plan, the following terms shall have the meanings set forth below:

- (a)     **“Award”** means any award of Options, RSUs, PSUs or DSUs granted under this Plan;
- (b)     **“Award Agreement”** means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (c)     **“Blackout Period”** means a period of time during which the Company prohibits Participants from exercising, redeeming or settling an Award due to the existence of undisclosed material information and pursuant to a formal notice provided by the Company under a trading policy, which Blackout Period must expire promptly following general disclosure of the undisclosed material information;
- (d)     **“Board”** means the board of directors of the Company or, if the context permits, any of its Subsidiaries, as applicable;
- (e)     **“Change of Control”** means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities (as such terms are interpreted in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a person “acting jointly or in concert” with another person, as that phrase is interpreted in National Instrument 62-103, totals for the first time not less than fifty (50%) percent of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (f)     **“Company”** means Enduro Metals Corporation, a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;
- (g)     **“Consultant”** means a Person (other than a Director, Officer or Employee) that:
  - (i)     is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary of the Company,

other than services provided in relation to a distribution (as defined in the *Securities Act* (British Columbia));

- (ii) provides the services under a written contract between the Company or any of its Subsidiaries and the Person, as the case may be; and
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or any of its Subsidiaries;

and includes:

- (iv) for a Person that is an individual, a corporation of which such individual is the sole shareholder;

(h) “**Deferred Share Unit**” or “**DSU**” means a right granted to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, all as provided in Section 5.04 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;

(i) “**Determination Date**” means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;

(j) “**Director**” means a member of the Company’s Board or the Board of any of its Subsidiaries;

(k) “**Discounted Market Price**” means the Market Price less the discount set forth below, subject to a minimum price of \$0.10:

<u>Closing Price</u>	<u>Discount</u>
up to \$0.50	25%
\$0.51 to \$2.00	20%
above \$2.00	15%

(l) “**Disability**” means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;

(m) “**Effective Date**” has the meaning ascribed thereto in Section 8.01;

(n) “**Election Form**” means the form to be completed by a Director specifying the amount of the Fees he or she wishes to receive in DSUs under this Plan;

(o) “**Eligible Person**”, when used in connection with Options, means Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries but, when used in connection with PSUs, RSUs or DSUs, means only Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries that do not perform Investor Relations Activities;

- (p)     **“Employee”** means an individual who:
- (i)       is considered an employee of the Company or any of its Subsidiaries under the Income Tax Act (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
  - (ii)      works full-time for the Company or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its Subsidiaries over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source; or
  - (iii)     works for the Company or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week acceptable to the Exchange, who provides services normally provided by an employee and is subject to the same control and direction by the Company or its Subsidiary over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source;
- (q)     **“Exchange”** means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (r)     **“Fees”** means the annual Board retainer, chair fees, meeting attendance fees or any other fees payable to a Director;
- (s)     **“Grant Date”** means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (t)     **“Insider”** has the meaning attributed to it in Policy 1.1 of the TSX Venture Exchange;
- (u)     **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
- (i)       the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
    - A.       to promote the sale of products or services of the Company; or
    - B.       to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
  - (ii)      activities or communications necessary to comply with the requirements of:
    - A.       applicable securities laws; or
    - B.       Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;

- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
  - A. the communication is only through the newspaper, magazine or publication; and
  - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange;
- (v) “**Investor Relations Service Provider**” includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (w) “**Management Company Employee**” means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the Company’s business enterprise;
- (x) “**Market Price**” means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company’s shares before the issuance of the required news release disclosing the grant of Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company’s shares before the Grant Date);
- (y) “**Market Unit Price**” means the value of a Share determined by reference to the five-day volume-weighted average closing price of a Share for the five Trading Day period immediately preceding the relevant date;
- (z) “**Officer**” means an officer (as defined in the Securities Act or, where the Securities Act does not apply, by other applicable securities laws) of the Company or any of its Subsidiaries;
- (aa) “**Option**” means incentive share purchase options entitling the holder thereof to purchase Shares at a specified price for a specified period of time as provided in Section 5.01 hereof;
- (bb) “**Participant**” means any Eligible Person to whom Awards under this Plan are granted;
- (cc) “**Participant’s Account**” means a notional account maintained for each Participant’s participation in this Plan which will show any Options, RSUs, PSUs and/or DSUs credited to a Participant from time to time;
- (dd) “**Performance-Based Award**” means, collectively or as applicable, Performance Share Units, Restricted Share Units and Deferred Share Units;
- (ee) “**Performance Criteria**” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of Performance Share Units; provided, however, that such vesting period shall be no less than 12 months following the date of grant;

- (ff)     **“Performance Cycle”** means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (gg)     **“Performance Share Unit” or “PSU”** means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.03 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (hh)     **“Person”** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (ii)     **“Restriction Period”** means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months;
- (jj)     **“Restricted Share Unit” or “RSU”** means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.02 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (kk)     **“Retirement”** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (ll)     **“Securities Act”** means the *Securities Act* (British Columbia), as amended, from time to time;
- (mm)     **“Security-Based Compensation Arrangement”** shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option plan, including the Plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time Employee, Officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (nn)     **“Shares”** means the common shares of the Company;
- (oo)     **“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (pp)     **“Termination Date”** means, as applicable:
  - (i)       in the event of a Participant’s Retirement, voluntary termination, voluntary resignation or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and

- (ii) in the event of termination of the Participant's employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (qq) "**Trading Day**" means any day on which the Exchange is open for trading;
- (rr) "**Vesting Date**" means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement; and
- (ss) "**VWAP**" means the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Option.

### **SECTION 3 - ADMINISTRATION**

#### **3.01 Board to Administer Plan**

Except as otherwise provided herein, this Plan shall be administered by the Board of the Company (and, for clarity, not by the Board of any subsidiary of the Company) and the Board of the Company shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board of the Company may deem necessary in order to comply with the requirements of this Plan.

#### **3.02 Delegation to Committee**

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by such committee as the Board may determine.

#### **3.03 Interpretation**

All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.

#### **3.04 No Liability**

No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate Officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

## **SECTION 4 - SHARES AVAILABLE FOR AWARDS**

### **4.01 Limitations on Shares Available for Issuance**

- (a) The aggregate number of Shares issuable under this Plan (and all of the Company's other Security-Based Compensation Arrangements) in respect of Awards shall not exceed 10% of issued and outstanding Shares at the time of any grant hereunder.
- (b) So long as it may be required by the rules and policies of the Exchange:
  - (i) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any Participant under this Plan, within any 12 month period, together with Shares reserved for issuance to such Participant (and to Companies wholly-owned by that Participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
  - (ii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, within any 12 month period, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
  - (iii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, at any point in time, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares; and
  - (iv) the maximum aggregate number of Shares issuable to any one Consultant, within any 12 month period, together with Shares issuable to such Consultant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant); and
  - (v) the maximum aggregate number of Shares issuable pursuant to grants of Options to all Investor Relation Service Providers performing Investor Relations Activities, within any 12 month period, shall not in aggregate exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant). For the avoidance of doubt, Persons performing Investor Relations Activities are only eligible to receive Options under this Plan; they are not eligible to receive any Performance- Based Award or other type of securities based compensation under this Plan.

### **4.02 Accounting for Awards**

For purposes of this Section 4:

- (a) if an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
- (b) notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.

#### **4.03 Anti-Dilution**

Subject to prior acceptance by the Exchange, if required, if the number of outstanding Shares is increased or decreased as a result of a stock split, re-organization, merger, stock dividend, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration, the Board may, subject to the prior acceptance of the Exchange in the case of a recapitalization, make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of Options, RSUs, PSUs or DSUs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

### **SECTION 5 - AWARDS**

#### **5.01 Options**

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Options to Eligible Persons. Options granted to an Eligible Person shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Option shall, contingent upon the lapse of any restrictions, represent the right to acquire one (1) Share. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- (b) Exercise Price - The exercise price of an Option granted under this Plan shall not be less than the Discounted Market Price, provided that if an Option is proposed to be granted by the Company which has just been recalled for trading following a suspension or halt, the Company must wait at least ten Trading Days since the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option.
- (c) Expiry Date – Subject to Section 5.05(e), each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the Grant Date.
- (d) Different Exercise Periods, Prices and Number - The Board may, in its absolute discretion, upon granting Options under this Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise his option during each respective time period.
- (e) Vesting - The Options granted to a Participant under this Plan shall vest as determined by the Board. If the Board does not specify a vesting schedule at the Grant Date, then Options granted

to persons other than those conducting Investor Relations Activities shall vest fully on the Grant Date, and in any event in accordance with the policies of the Exchange. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that:

- (i) no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
  - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
  - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
  - (iv) the remainder of the Options vest no sooner than 12 months after the Grant Date.
- (f) Change of Control – If the Award Agreement so provides, in the event of a Change of Control, all Options granted to a Participant who ceases to be an Eligible Person shall become fully vested in such Participant and shall become exercisable by the Participant in accordance with the terms of the Award Agreement and Section 5.01(l) hereof. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.
- (g) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.1(l) hereof.
- (h) Termination of Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Options granted to the Participant under this Plan (including those which have vested) will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however,* that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms

of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.01(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to qualify as an Eligible Person, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board provided such period does not exceed 12 months after the Termination Date.

- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, including as set forth above in Section 5.01(h)(i) or 5.01(h)(ii), the Participant's eligibility to receive further grants of Awards of Options under this Plan shall cease as of the Termination Date.
- (i) Disability - Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options; *provided, however,* that no Options may be exercised during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however,* that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to Disability, had vested pursuant to terms of the applicable Award Agreement, will accrue to the Participant in accordance with Section 5.01(l) hereof and shall be exercisable by such Participant for a period of 90 days following the Termination Date, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board provided such period does not exceed 12 months after the Termination Date.
- (j) Hold Period - In addition to any resale restrictions under applicable legislation or regulation, all Options granted hereunder and all Shares issued on the exercise of such Options will, if applicable under the policies of the Exchange, be subject to a four month TSX Venture Exchange hold period from the date the options are granted, and the Award Agreements and the certificates representing such Shares will bear the following legend:

"Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date]."

- (k) Notice - Options shall be exercised only in accordance with the terms and conditions of the Award Agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- (l) Payment of Award - Subject to any vesting or other limitations described in each individual Award Agreement, Options may be exercised in whole or in part at any time prior to their lapse or termination, by the Participant, or if Section 5.01(g) applies, by the Participant's estate within one year of the death of the Participant, into such number of Shares equal to the

number of Options credited to the Participant's Account that become exercisable on the Vesting Date. The exercise price of all Options must be paid in cash, subject to Section 5.01(m) below. Shares purchased by a Participant on exercise of an Option shall be paid for in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).

- (m) Cashless or Net Exercise – A Participant may elect, in its sole discretion, to undertake: (i) a broker assisted "cashless exercise" pursuant to which the Company or its designee (including third-party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the exercise price and all applicable required withholding obligations against delivery of the Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Company withholding the minimum number of Shares otherwise deliverable in respect of an Option that are needed to pay for the exercise price and all applicable required withholding obligations, such that the number of Shares received by the Participant is equal to the quotient obtained by dividing: (A) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by (B) the VWAP of the underlying Shares. In all events of cashless or net exercise pursuant to this Section, the Participant shall comply (i) with all provisions of this Plan with regards to any applicable required withholding obligations; and (ii) with all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board, in connection with such exercise. For the avoidance of doubt, a "net exercise" may not be undertaken by Participants engaged in Investor Relations Activities.

## 5.02 Restricted Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons that do not perform Investor Relations Activities. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (b) Restrictions - Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (c) Vesting - All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No Restricted Share Units may vest before the date that is one year following the date of the Award.

- (d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5.02(h) hereof.
- (e) Death - Upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate within one year of the Participant's death.
- (f) Termination of a Participant's Relationship with the Company
  - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Restricted Share Units granted to the Participant under this Plan (including those which have vested) will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.02(h) hereof.
  - (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person including as set forth above in Section 5.02(f)(i) or 5.02(f)(ii), the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units; *provided, however,* that no Restricted Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* that any Restricted Share Units granted to such

Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.02(h) hereof.

- (h) Payment of Award - As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company shall, at the sole discretion of the Board, either:

- (i) issue to the Participant from treasury the number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that have vested and become payable on the Vesting Date; or
- (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Vesting Date of the Restricted Share Units credited to a Participant's Account that have vested and become payable, net of applicable withholdings.

As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

### **5.03 Performance Share Units**

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Eligible Persons that do not perform Investor Relations Activities. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (b) Performance Criteria - The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the Performance Criteria unfair unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.
- (c) Vesting - All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied in the Performance

Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. No Performance Share Units may vest before the date that is one year following the date of the Award.

(d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control pursuant to which a Participant ceases to be an Eligible Person, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5.03(h) hereof.

(e) Death - Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; *provided, however,* the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable within one year of the Participant's death.

(f) Termination of a Participant's Relationship with the Company

(i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan (including those which have vested) will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.

(ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Performance Share Units granted to the Participant which have not vested will, unless the Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* the Board may determine, in its sole discretion but subject to any requirements of the Exchange, for Performance Share Units that are subject to vesting criteria beyond the minimum one year vesting requirement in Section 5.03(a), the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.03(h) hereof.

(iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, including as set forth above in Section 5.03(f)(i) or 5.03(f)(ii), the Participant's eligibility to receive

further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.

- (g) Disability - Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however,* that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* that the Board may determine, in its sole discretion, for Performance Share Units that are subject to vesting criteria beyond the minimum one year vesting requirement in Section 5.03(a), the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.03(h) hereof.
- (h) Payment of Award - Payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. The Company shall, at the sole discretion of the Board, either:

- (i) issue to the Participant the number of Shares equal to the number of Performance Share Units credited to the Participant's Account that have vested on the Determination Date; or
- (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Determination Date of the Performance Share Units credited to a Participant's Account that have vested, net of applicable withholdings.

As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

## 5.04 Deferred Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors that do not perform Investor Relations Activities in lieu of Fees or to other Eligible Persons that do not perform Investor Relations Activities as compensation for employment or consulting services. Deferred Share Units granted to a Participant in accordance with Section 5.04 hereof shall be credited, as of the Grant Date, to the Participant's Account. The number of Deferred Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. The number of Deferred Share Units shall be specified in the applicable Award Agreement.

- (b) Election - Each Director may elect to receive any or all of his or her Fees in Deferred Share Units under this Plan. Elections by Directors regarding the amount of their Fees that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Director during a calendar year and wishes to receive an amount of his or her Fees for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.
- (c) Calculation of Deferred Share Units Granted in Lieu of Fees - The number of Deferred Share Units to be credited to a Participant's Account where the Participant is a Director who has elected to receive Deferred Share Units in lieu of Fees shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as required under Exchange policies) which shall be the 10th business day following each financial quarter end. If, as a result of the foregoing calculation, a Participant that is a Director shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (d) Vesting - No Deferred Share Units may vest before the date that is one year following the date of the Award.
- (e) Payment of Award - Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole discretion of the Board, either:
- (i) that number of Shares equal to the number of vested Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company (provided that such issuance will not result in the number specified in Section 4.1(a) being exceeded); or
  - (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be an Eligible Person of the vested Deferred Share Units credited to a Participant's Account, net of applicable withholdings.
- (f) Exception - In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Deferred Share Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).

(g) Death - Upon death of a Participant holding Deferred Share Units that have vested, the Participant's estate shall be entitled to receive, within one year of the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5.04(e) hereof to the Participant upon such Participant ceasing to be an Eligible Person.

## 5.05 General Terms Applicable to Awards

- (a) Forfeiture Events - The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of a relationship for cause, violation of material Company policies, fraud, breach of non-competition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (b) Awards May be Granted Separately or Together - Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (c) Non-Transferability of Awards - No Award and no right under any such Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the policies of the Exchange. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.
- (d) Conditions and Restrictions Upon Securities Subject to Awards - The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation:
  - (i) restrictions under an insider trading policy or pursuant to applicable law;
  - (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; and
  - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

- (e) **Blackout Periods** – In the event that the date provided for expiration, redemption or settlement of an Award falls within a Blackout Period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed Material Information (as defined in the policies of the Exchange), the expiry date, redemption date or settlement date, as applicable, of the Award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the Blackout Period. Notwithstanding the foregoing, there will be no extension of any Award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).
- (f) **Share Certificates** - All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (g) **Conformity to Plan** - In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted to become, in all respects, in conformity with this Plan.
- (h) **Deductions** - Whenever cash is to be paid in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered in respect of Options, Deferred Share Units, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by, all in accordance with the policies of the Exchange, delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (i) **Cancellation, Termination, Surrender or Forfeiture** - Shares that were the subject of any Awards made under this Plan that has been settled in cash, or that have been cancelled, terminated, surrendered, forfeited or have expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under this Plan.

## **5.06 General Terms Applicable to Performance-Based Awards**

- (a) **Performance Evaluation; Adjustment of Goals** - At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, shall specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be:
  - (i) judgments entered or settlements reached in litigation;

- (ii) the write-down of assets;
  - (iii) the impact of any reorganization or restructuring;
  - (iv) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results;
  - (v) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year;
  - (vi) the impact of any mergers, acquisitions, spin-offs or other divestitures;
  - (vii) foreign exchange gains and losses; and
  - (viii) mark-to-market hedging losses or gains.
- (b) Adjustment of Performance-Based Awards - The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

## **SECTION 6 - AMENDMENT AND TERMINATION**

### **6.01 Amendments and Termination of this Plan**

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to:

- (a) any required disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an Insider or (ii) extend the term of an Option granted to an Insider, in either event in accordance with the policies of the Exchange while the Shares are listed on the Exchange;
- (b) any required approval of any applicable regulatory authority or the Exchange; and
- (c) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to (except that the Exchange may require approval of the shareholders of the Company for amendments pursuant to Sections 6.01(c)(iii) to 6.01(c)(vii)):
  - (i) amendments of a "housekeeping nature";

- (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
- (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
- (iv) amendments respecting administration and eligibility for participation under this Plan;
- (v) amendments to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including amendments to the vesting provisions and terms of any Awards;
- (vi) with the exception of Options granted to Persons performing Investor Relations Activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
- (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

## **6.02 Amendments to Awards**

The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either:

- (a) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of Policy of the Exchange or any accounting standard; or
- (b) is not reasonably likely to significantly diminish the benefits provided under such Award.

## **SECTION 7 - GENERAL PROVISIONS**

### **7.01 No Rights to Awards**

No Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award. There is no obligation for uniformity of treatment of Eligible Persons or Participants or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each Participant. The Company and each Eligible Person qualifying for an Award are and shall be responsible for ensuring

and confirming that each recipient of an Award is a bona fide Eligible Person that qualifies to receive the applicable Award.

#### **7.02 No Limit on Other Security-Based Compensation Arrangements**

Nothing contained in this Plan shall prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

#### **7.03 No Right to Employment**

The grant of an Award shall neither constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company, or to any other relationship with the Company. Further, the Company may at any time dismiss a Participant, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in an applicable Award Agreement.

#### **7.04 No Right as Shareholder**

Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Options, RSUs, PSUs and/or DSUs until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

#### **7.05 Governing Law**

This Plan and all of the rights and obligations arising hereunder shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

#### **7.06 Severability**

If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.

#### **7.07 No Trust or Fund Created**

Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.

## **7.08 No Fractional Shares**

No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.

## **7.09 Headings**

Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

## **7.10 No Representation or Warranty**

The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

## **7.11 No Representations or Covenant with Respect to Tax Qualification**

Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.

## **7.12 Conflict with Award Agreement**

In the event of any inconsistency or conflict between the policies of the Exchange, this Plan and an Award Agreement, the policies of the Exchange shall govern for all purposes. In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.

## **7.13 Compliance with Laws**

The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, as well as the policies of the Exchange as in effect from time-to-time, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

## **SECTION 8 - EFFECTIVE DATE OF THIS PLAN**

### **8.01    8.1 Effective Date**

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board.

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