



## MANAGEMENT INFORMATION CIRCULAR

This information circular (“**Information Circular**”) is provided in connection with the solicitation of proxies by the management of **COPAU MINERALS INC.** (the “**Company**”) for use at the Annual General Meeting (the “**Meeting**”) of the shareholders of the Company, **to be held via teleconference on Friday, December 19, 2025 at 8:00 a.m. (Vancouver Time)** or any adjournment thereof for the purposes as set forth in the enclosed Notice of Annual General Meeting (the “**Notice of Meeting**”).

The solicitation of proxies is made on behalf of the management of the Company. Such solicitation will be primarily by mail but may also be made by telephone or other electronic means of communication or in person by the directors or officers of the Company. The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Information Circular will be borne by the Company. The cost of the solicitation will be borne by the Company.

**The Company is conducting the Meeting via teleconference. Registered shareholders, non-registered (beneficial) shareholders, and validly appointed proxyholders may attend the Meeting via teleconference by calling the following number toll-free at 1-888-780-5892. All callers will be prompted to enter the following passcode upon entering the teleconference: 5050341. Meeting participants that call into the Meeting will not be eligible to vote at the Meeting and should submit a proxy/VIF prior to the cut-off date.**

### NOTICE AND ACCESS

The Company is utilizing the notice and access mechanism (the “**Notice and Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), for distribution of proxy-related materials to registered and beneficial shareholders.

Under the Notice and Access Provisions, instead of receiving printed copies of the Information Circular, registered and beneficial shareholders will receive the Notice of Meeting with information on the Meeting date, location and purpose, as well as information on how they may access the Information Circular electronically and how they may vote.

Electronic copies of the Notice of Meeting and the Information Circular may be found on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company’s website at [www.copaur.com](http://www.copaur.com).

The Company will not use the procedure known as “stratification” in relation to the use of Notice and Access Provisions. Stratification occurs when a reporting issuer using the Notice and Access Provisions provides a paper copy of meeting materials to certain shareholders with the notice package.

### ***Obtaining Paper Copies of Materials***

The Company anticipates that using the Notice and Access Provisions for delivery will directly benefit the Company through a substantial reduction in postage and material costs and will also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about the Notice and Access Provisions can call the Company toll-free at 1-888-500-4587.

Shareholders may obtain paper copies of the Information Circular free of charge by contacting the Company by written notice to Suite 888 - 700 West Georgia Street, Vancouver, British Columbia V7Y 1G5; by fax to (604) 662-3791; by telephone call to the Company at (604) 718-5454 (outside of North America) or toll-free to Computershare at 1-866-962-0498 (within North America); or by email to the Company at [ir@copaur.com](mailto:ir@copaur.com).

Requests for a paper copy should be sent so that the request is received by the Company by December 1, 2025 in order to allow sufficient time for shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia) prior to the time set for the Meeting or any adjournments or postponements thereof.

## **PROXY INFORMATION**

### ***Appointment of Proxyholder***

A duly completed form of proxy for the Company will constitute the persons named in the enclosed form of proxy as the shareholder’s proxyholder. The individuals whose names are printed in the enclosed form of proxy for the Meeting are directors and/or officers of the Company (the “**Management Proxyholders**”). The persons named in the enclosed form of proxy as Management Proxyholders have indicated their willingness to represent, as proxyholders, the shareholders who appoint them.

**A shareholder has the right to appoint a person other than the Management Proxyholders 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 of the Company.** Such a shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and instruct him or her on how the shareholder’s shares are to be voted.

### ***Voting of Proxies***

Each shareholder may instruct his or her proxyholder how to vote its shares by completing the blanks in the enclosed proxy form. Shares represented by properly executed proxy forms will be voted or withheld from voting on any poll in accordance with instructions made on the proxy forms, and, if a shareholder specifies a choice as to any matters to be acted on, such shareholder’s shares shall be voted accordingly.

If no choice is specified and one of the Management Proxyholders is appointed by a shareholder as proxyholder, it is intended that such person will vote in favour of the matters to be voted on at the Meeting.

**The enclosed form of proxy confers discretionary authority upon the persons named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As 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**

Each proxy must be dated and executed by the shareholder or its attorney authorized in writing or by an intermediary acting on behalf of a shareholder (see “*Voting by Non-Registered Shareholders*” below). In the case of a corporation, the proxy must be dated and executed by a duly authorized officer or attorney for the corporation.

A proxy will not be valid for the Meeting or any adjournment or postponement thereof unless the completed, signed and dated form of proxy is delivered to the office of the Company’s registrar and transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by mail or by registered mail, to 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6, or as otherwise indicated in the instructions contained in the form of proxy (including, where applicable, through the transfer agent’s internet and telephone proxy voting services). All proxies in respect of the Meeting must be completed and received not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

#### ***Voting by Non-Registered Shareholders***

**The information in this section is important to many shareholders as a substantial number of shareholders do not hold their shares in their own name.**

Non-registered (beneficial) shareholders (shareholders who hold common shares through intermediaries) should note that only registered holders of common shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting.

If common shares are shown on an account statement provided to a non-registered shareholder by a broker or other intermediary, then in almost all cases the name of such non-registered shareholder **will not** appear on the central securities register of the Company. Such common shares will most likely be registered in the name of the broker or an agent of the broker or other intermediary. In Canada, the vast majority of such common shares will be registered in the name of “CDS & Co.”, the registration name of The Canadian Depository for Securities Limited, which acts as a nominee for many brokerage firms. Such common shares can only be voted by the intermediary and can only be voted by them in accordance with instructions received from non-registered shareholders. **As a result, non-registered shareholders should carefully review the voting instructions provided by their broker or other intermediary with this Information Circular and ensure that they direct the voting of their common shares in accordance with those instructions.**

Applicable regulatory policies require brokers and other intermediaries to seek voting instructions from non-registered shareholders in advance of shareholders’ meetings. In accordance with the requirements of NI 54-101, the Company will distribute the Meeting materials to intermediaries and clearing agencies for onward distribution to non-registered shareholders. The Company does not intend to pay intermediaries to forward the Meeting materials if the non-registered shareholders have provided instructions to their intermediary that they object to the intermediary disclosing ownership information about the non-registered shareholders. In this case, such non-registered shareholders will not receive the Meeting materials if the

intermediary does not assume the cost of delivery. Each intermediary has its own mailing procedures and provides its own return instructions to clients.

Intermediaries are required to forward the Meeting materials to non-registered shareholders unless a non-registered shareholder has waived the right to receive Meeting materials. Generally, non-registered shareholders who have not waived the right to receive Meeting materials will be sent a voting instruction form which must be completed, signed and returned by the non-registered shareholders in accordance with the intermediary's directions on the voting instruction form. Intermediaries often use service companies to forward the Meeting materials to non-registered shareholders. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to non-registered shareholders and asks those non-registered shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of common shares at the Meeting. **A non-registered shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such common shares are voted.**

In some cases, non-registered shareholders will instead be given a proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of common shares beneficially owned by the non-registered shareholder but which is otherwise not completed. This form of proxy does not need to be signed by the non-registered shareholder, but to be used at the Meeting, needs to be properly completed and deposited with Computershare as described under "*Completion and Return of Proxy*" above.

The purpose of these procedures is to permit non-registered shareholders to direct the voting of the common shares that they beneficially own. Should a non-registered shareholder wish to attend the Meeting via teleconference (or have another person attend on behalf of the non-registered shareholder), the non-registered shareholder should strike out the names of the persons named in the proxy and insert the non-registered shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

### ***Revocation of Proxies***

A registered shareholder who has given a proxy may revoke it by executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, by a duly authorized officer or a duly authorized attorney, and by delivering the proxy bearing a later date to Computershare at the address set out in the proxy or to the Company at the address indicated above at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner permitted by law. Only registered shareholders have the right to revoke a proxy. Non-registered shareholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.

## **RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The board of the directors of the Company (the "**Board**") has fixed November 5, 2025 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of and vote at the Meeting.

Only shareholders of record at the close of business on the Record Date who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading “*General Proxy Information*” above will be entitled to vote or have their common shares voted at the Meeting or any adjournment thereof.

The common shares are listed on the TSX Venture Exchange (the “**Exchange**” or the “**TSXV**”), under the symbol “CPAU”. As at the date hereof, there were 87,695,409 common shares without par value issued and outstanding, each common share carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares.

### **QUORUM**

The Articles of the Company provide that a quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for the election of directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until all such vacancies have been filled.

### **DIRECTOR AND EXECUTIVE COMPENSATION**

The Company is a “**venture issuer**” as defined under NI 51-102 and is disclosing its director and executive compensation in accordance with Form 51-102F6V – *Statement of Executive Compensation-Venture Issuers* (“**Form 51-102F6V**”).

#### **Definitions**

In this Information Circular:

- ◆ “**Chief Executive Officer**” or “**CEO**” means an individual who served as chief executive officer of the Company, or performed functions similar to a chief executive officer, for any part of the most recently completed financial year.
- ◆ “**Chief Financial Officer**” or “**CFO**” means an individual who served as chief financial officer of the Company, or performed functions similar to a chief financial officer, for any part of the most recently completed financial year.
- ◆ “**Named Executive Officer**” or “**NEO**” means each of the following individuals:
  - (i) a CEO;
  - (ii) a CFO;
  - (iii) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and

- (iv) each individual who would be an NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

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

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any non-NEO directors of the Company for each of the two most recently completed financial years:

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year Ended June 30</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>
<b>Conrad Swanson</b> <i>Chairman, President &amp; Director</i>	2025	120,000	Nil	Nil	Nil	Nil	120,000
	2024	135,000	Nil	Nil	Nil	Nil	135,000
<b>Jeremy Yasienuk</b> <i>Former CEO and Director</i>	2025	120,000	Nil	Nil	Nil	Nil	120,000
	2024	135,000	Nil	Nil	Nil	Nil	135,000
<b>Chantelle Collins</b> <i>CFO</i>	2025	66,000	Nil	Nil	Nil	Nil	66,000
	2024	66,000	Nil	Nil	Nil	Nil	66,000
<b>Gregory Stewart</b> <i>Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jay Roberge</b> <i>Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>Max Sali</b> <i>Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>Malcolm Dorsey</b> <i>Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil

## Stock Options and Other Compensation Securities

No options were granted during the financial year ended June 30, 2025.

No compensation securities were exercised by any NEOs or non-NEO directors during the fiscal year ended June 30, 2025.

## Stock Option Plans and Other Incentive Plans

On October 26, 2022, the Board adopted its current stock option plan (the “**2022 Plan**”), which replaced its previous option plan and which was most recently approved by the Company’s shareholders on November 29, 2023.

On November 3, 2025, the Board adopted a new omnibus incentive plan (the “**Plan**”). The Plan is intended to supersede the 2022 Plan and will govern option grants made after the date of the adoption of the Plan. Grants made under the 2022 Plan will be deemed to have been made under the Plan and will be governed by the Plan after the date the Plan is ratified by the shareholders at the Meeting, subject to TSXV approval.

The Plan is an **omnibus incentive plan** pursuant to which up to 10% of the outstanding shares may be reserved for issue from time to time, less the number of shares reserved for issue under any other share compensation arrangement. The Plan provides for the grant of Options, Restricted Share Units (“RSUs”) **and** Deferred Share Units (“DSUs”) to eligible directors, officers, employees and Consultants of the Company and its Subsidiaries, in accordance with the policies of the TSXV.

At the Meeting, shareholders will be asked to approve the Plan. The Plan is attached as Schedule “B” to this Information Circular. The following is a summary of its material terms and is qualified in its entirety by the full text of the Plan. Capitalized terms used in the summary below that are not otherwise defined in this Information Circular have the meaning given to them in the Plan or TSXV policies.

- (a) Persons who are Eligible Participants, being any director, officer, employee or Consultant of the Company or any of its Subsidiaries, are eligible to receive grants of Awards (Options, RSUs or DSUs) under the Plan;
- (b) the maximum aggregate number of Shares that may be reserved for issuance under the Plan, together with any other Share Compensation Arrangement, at any point in time is 10% of the issued and outstanding shares of the Company;
- (c) the Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the TSXV, unless disinterested shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSXV:
  - (i) the maximum number of common shares that may be issued to any one Participant, together with grants under any other security based compensation arrangements, within a twelve (12) month period, may not exceed 5% of the issued and outstanding common shares calculated on the date of grant;
  - (ii) the maximum number of common shares that may be issued to Insiders collectively under the Plan, together with grants under any other Share Compensation Arrangement, within a twelve (12) month period, may not exceed 10% of the issued and outstanding common shares calculated on the date of grant; and

- (iii) the maximum number of common shares that may be issued to Insiders collectively under the Plan, together with grants under any other Share Compensation Arrangement, may not exceed 10% of the issued and outstanding common shares at any time.
- (d) For so long as the following limitation is required by the TSXV, the maximum number of Options which may be granted within any twelve (12) month period to Participants who perform investor relations activities must not exceed 2% of the issued and outstanding common shares, and such Options must vest in stages over twelve (12) months with no more than 25% vesting in any three month period. In addition, the maximum number of common shares that may be granted to any one consultant under the Plan, together with any other Share Compensation Arrangement, within a twelve (12) month period, may not exceed 2% of the issued and outstanding common shares calculated on the date of grant. Investor Relations Service Providers cannot receive any security based compensation other than Options and may not be granted a Cashless Exercise Right.
- (e) the exercise price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Market Price at the time of the grant;
- (f) the term of an Option will be set by the Board at the time the Option is allocated under the Plan. An Option can be exercisable for a maximum 10-year term;
- (g) Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
  - (i) the Eligible Participants remaining employed by or continuing to provide services to the Company or any of its Subsidiaries as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
  - (ii) the Eligible Participant remaining as a member of the Board or a director of any of the Company's Subsidiaries during the vesting period;
- (h) in the case of an Optionee being dismissed from employment or service for cause, such an Optionee's Options, whether or not vested at the date of dismissal will immediately terminate on the date of termination for cause without right to exercise same;
- (i) all Awards granted shall be evidenced by written grant agreements (Option Agreements, RSU Agreements or DSU Agreement, as the case may be);
- (j) the Company will be required to obtain disinterested shareholder approval prior to any of the following actions becoming effective:
  - (i) the Plan, together with any other security based compensation plans, could result at any time in:
    - a. the aggregate number of common shares reserved for issuance to Insiders exceeding 10% of the Outstanding Issue; or
    - b. the aggregate number of common shares reserved for issuance to Insiders within any 12-month period exceeding 10% of the Outstanding Issue; or,
    - c. the aggregate number of Common Shares reserved issuance to any one individual Participant or Service Provider, within any 12-month period, exceeding 5% of the Outstanding Issue; and

- (ii) any reduction in the exercise price of an Option, or extension to the expiry date of an Option held by an Insider at the time of the proposed amendment, is subject to disinterested shareholder approval in accordance with the policies of the TSXV.

Subject to Policy 4.4 and the prior receipt of any necessary Exchange approval, the Board may in its absolute discretion, make the following amendments or modifications to the Plan or any option granted under it:

- (a) amendments which are of a typographical, grammatical, clerical nature only;
- (b) amendments of a housekeeping nature;
- (c) changes to the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSXV, if applicable;
- (d) changes to the termination provision of an Option granted hereunder which does not entail an extension beyond the lesser of the original expiry date of such Option or 12 months from termination;
- (e) amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSXV;
- (f) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, amendments as may be required by the policies of such a senior stock exchange or stock market; and
- (g) such amendments as reduce, and do not increase, the benefits of the Plan to Eligible Participants.

The Plan has also been prepared to allow option holders to exercise options on a “Cashless Exercise” basis, as now expressly permitted by Policy 4.4. “Cashless Exercise” is a method of exercising stock options in which a brokerage firm has an arrangement with the Company whereby the brokerage firm will loan money to a Participant to purchase Shares underlying Options. The brokerage firm then sells a sufficient number of Shares to cover the exercise price of the Options in order to replay the load made to the Participant. The brokerage firm receives an equivalent number of Shares from the exercise of the Options, and the Participant then receives the balance of Shares or the cash proceeds from the balance of such Shares

Pursuant to the Plan, in the event of a Cashless Exercise, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Company, must be included in calculating the various limits on total issuances and issuances to various categories of participants, as provided in the Plan and as required by Policy 4.4.

The Company does not have any other incentive plans.

### **External Management Companies**

During the year ended June 30, 2025, no management functions of the Company were to any substantial degree performed by a person other than the directors or NEOs of the Company.

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

The Company has entered into agreements or arrangements under which it pays its NEOs and directors, as follows:

1. Conrad Swanson – Chairman & President

During the year ended June 30, 2025, Mr. Swanson was compensated \$10,000 per month for his services provided to the Company under the terms of his agreement with the Company.

2. Jeremy Yaseniuk – Chief Executive Officer

During the year ended June 30, 2025, Mr. Yaseniuk was compensated \$10,000 per month for his services provided to the Company under the terms of his agreement with the Company.

3. Chantelle Collins – Chief Financial Officer

During the year ended June 30, 2025, Ms. Collins was compensated \$5,500 per month for her services provided to the Company under the terms of her agreement with the Company.

During the fiscal year ended June 30, 2025, no directors' fees were paid to the non-NEO directors for serving as directors of the Company. It is anticipated that this will continue during the fiscal year ending June 30, 2026.

NEOs and directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as NEOs and directors, as the case may be.

NEOs and directors are entitled to participate in the Plan.

## **Oversight and Description of Director and NEO Compensation**

### Director Compensation

The Company has no standard arrangements pursuant to which directors are compensated by the Company for their services in their capacity as directors, except for the granting from time to time of incentive stock options in accordance with the Plan and the policies of the Exchange. Currently, no fees are paid to the directors for serving as directors of the Company. Should the Company's financial circumstances change in fiscal 2026, the Board as a whole will determine the compensation payable to the directors of the Company, taking into consideration general industry standards for companies similar to the Company.

The Board believes that the granting of incentive stock options provides a reward to directors for achieving results that improve the Company's performance and thereby increase shareholder value, where such improvement is reflected in an increase in the Company's share price. In making a determination as to whether a grant of long-term incentive stock options is appropriate and if so, the number of options that should be granted, the Board considers: the number and terms of outstanding incentive stock options held by each director; the aggregate value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders; general industry standards and the limits imposed by the terms of the Plan and Exchange policies. The granting of incentive stock options allows the Company to reward directors for their efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Plan, which are described under "*Stock Option Plans and Other Incentive Plans*" above.

The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

### Named Executive Officer Compensation

The Company is a junior Exchange-listed resource company. The Company has, as of yet, no significant revenues from operations and during the most recently completed financial year operated, and for the foreseeable future expects to operate, with limited financial resources. As a result, the directors of the Company have to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid and long term.

Compensation paid to NEOs during the fiscal year ended June 30, 2025 is noted in the table above under “*Director and Named Executive Officer Compensation, Excluding Compensation Securities*”. It is anticipated that similar compensation will be paid to NEOs during fiscal 2026 until such time as the Company completes a significant financing.

As the Company grows its business, the general objectives of the Company’s compensation strategy will be to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; (c) provide a compensation package that enables the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the financial constraints that the Company is under.

In considering the compensation of its NEOs, the Board will consider how it can best balance the interests of the Company and provide competitive compensation to attract and retain officers who will contribute to the success of the Company, while mindful of the financial constraints of the Company. The Board will take into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies. All consulting or other compensation arrangements between the Company and its NEOs, if any, will be considered and approved by the independent members of the Board.

Given the Company’s current financial situation, the primary element of executive compensation is that of stock options, which do not require cash disbursements by the Company, with nominal cash fees accruing or paid to the CFO and CEO for their services rendered to the Company. The Board believes that the granting of incentive stock options provides a reward to NEOs for achieving results that improve Company performance and thereby increase shareholder value, where such improvement is reflected in an increase in the Company’s share price. In making a determination as to whether a grant of long-term incentive stock options is appropriate and if so, the number of options that should be granted, the Board considers: the number and terms of outstanding incentive stock options held by each NEO; the aggregate value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders; general industry standards and the limits imposed by the terms of the Plan and Exchange policies. The granting of incentive stock options allows the Company to reward NEOs for their efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company’s stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Plan, which are described under “*Stock Option Plans and Other Incentive Plans*” above.

Other than as described above, there are no other perquisites provided to the NEOs. The Company does not use specific benchmark groups in determining compensation or any element of compensation.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth all compensation plans under which equity securities of the Company were authorized for issuance as of the end of the Company’s most recently completed financial year, June 30, 2025.

<b>Plan Category</b>	<b>Number of common shares to be issued upon exercise of outstanding options (a)</b>	<b>Weighted average exercise price of outstanding options (b)</b>	<b>Number of common shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity Compensation Plans approved by Shareholders	4,568,240	0.63	4,201,301
Equity Compensation Plans not approved by Shareholders	Nil	N/A	N/A
<b>TOTAL</b>	<b>4,568,240</b>	<b>0.63</b>	<b>4,201,301</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No (a) director; (b) executive officer; (c) proposed nominee for election as a director; (d) associate of a director, executive officer or proposed nominee for election as a director; (e) employee; or (f) former director, executive officer or employee of the Company, is, as at the date hereof, or was at any time during the Company’s last completed financial year, indebted to the Company or any of its subsidiaries.

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

Other than as disclosed elsewhere in this Information Circular, no director or executive officer of the Company at any time since the beginning of the Company’s last financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any 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 upon at the Meeting, other than the election of directors.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of the Company’s last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed herein.

An “informed person” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

### **APPOINTMENT OF AUDITOR**

DeVisser Gray LLP, Chartered Professional Accountants, has been the auditor of the Company for more than five years.

### **MANAGEMENT CONTRACTS**

Management functions of the Company are substantially performed by directors or executive officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

### **CORPORATE GOVERNANCE DISCLOSURE**

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

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires that each reporting company disclose its corporate governance practices on an annual basis. The Company’s general approach to corporate governance is summarized below.

#### **Board of Directors**

##### *Independence*

The Company’s Board is comprised of five (5) directors: Conrad Swanson, Gregory Stewart, Jay Roberge, Max Sali, and Malcolm Dorsey. Jeremy Yaseniuk was elected as a director of the Company at the previous annual general meeting, but he ceased to be a director of the Company on July 24, 2025.

Section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) sets out the standard for director independence. Under NI 52-110, a director is independent if he has 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. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Company.

Applying the definition set out in section 1.4 of NI 52-110, three of the five members of the Board are independent. The members who are independent are Gregory Stewart, Jay Roberge, and Malcolm Dorsey. Conrad Swanson and Andrew Neale are not independent by virtue of the fact that they are executive officers

of the Company (Chairman and President) and (Chief Executive Officer), respectively. Max Sali is not independent because he was the Chief Executive Officer of the Company's wholly owned subsidiary, New Placer Dome Corp., prior to its acquisition by the Company in May 2022.

In order to facilitate its exercise of independent judgment in carrying out the responsibilities of the Board, the Board ensures that a majority of all members in attendance at Board meetings are independent.

#### Other Directorships

Certain directors of the Company serve as directors of one or more other reporting issuers or reporting issuer equivalents, as follows:

<b>Name of Director</b>	<b>Reporting Issuer(s) or Equivalent(s)</b>
Jay Roberge	Pantera Silver Corp.; Nuclear Vision Limited
Max Sali	Monumental Minerals Corp.; Supernova Metals Corp.; Copper King Resources Corp.
Malcolm Dorsey	Torr Metals Inc.

#### **Orientation and Continuing Education**

The Company has not adopted a formalized process of orientation for new Board members. Orientation of new directors has been and will be conducted on an ad hoc basis through discussions and meetings with other directors, officers and employees where a thorough description of the Company's business, assets, operations and strategic plans and objectives are discussed. In addition, any new directors will be given: (a) the opportunity to familiarize themselves with the Company, the current directors and members of management; (b) copies of recently publicly filed documents of the Company, technical reports and the Company's internal financial information; (c) access to technical experts and consultants; and (d) a summary of significant corporate and securities legislation. Orientation activities have been and will be tailored to the particular needs and experiences of each director and the overall needs of the Board.

The Board does not take any formal measures to provide continuing education for the directors. Directors are given the opportunity for continuing education if they choose. The current directors all have prior public company experience. Directors are kept informed as to matters impacting, or which may impact, the Company's operations through reports and presentations at the Board meetings. Directors are also provided the opportunity to meet with senior management, advisors and other directors who can answer any questions that may arise. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management assistance and to attend related industry seminars in relation to the Company's operations. Board members have full access to the Company's records.

At this stage in the Company's development, and having regard to the background and experience of its directors, the Board does not feel it necessary to have such policies or programs in place.

#### **Ethical Business Conduct**

The Board has not adopted a formal written Code of Business Conduct and Ethics. In recruiting new Board members, the Board considers only persons with a demonstrated record of ethical business conduct.

The Board has concluded that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, in addition to the applicable corporate legislation restrictions placed 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 has not adopted a written mandate or formal procedure with respect to the nomination of directors. The Board, as a whole, is responsible for identifying individuals qualified to become new board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

Nominees have historically been recruited by the efforts of existing Board members, and the recruitment process has involved both formal and informal discussions among committee and Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives and have a willingness to serve. Nominees who meet these criteria are interviewed by the Board and are asked to join the Board where consensus regarding the nominee is obtained.

### **Compensation**

The Board has not adopted a written mandate or formal procedure with respect to determining compensation for the directors and NEOs.

Refer to "*Oversight and Description of Director and NEO Compensation*" above for a detailed description of the Company's compensation policies.

### **Other Board Committees**

At the present time, the Company's only standing committee is the audit committee (the "**Audit Committee**") (see "*Audit Committee*" below).

### **Assessments**

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees. The Board monitors, but does not formally assess, the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size and its stage of development, the Board considers a formal assessment process to be inappropriate at this time.

### **Audit Committee**

NI 52-110 requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Information Circular certain information regarding the Audit Committee. That information is disclosed below.

### Overview

The Audit Committee's mandate includes reviewing: (i) the financial statements, reports and other financially based information provided to shareholders, regulators and others; (ii) the internal controls that management and the Board have established; and (iii) the audit, accounting and financial reporting processes generally. In meeting these responsibilities, the Audit Committee monitors the financial reporting process and internal control system, reviews and appraises the work of the external auditors, and provides an open avenue of communication between the external auditors, senior management and the Board.

### The Audit Committee Charter

The Company's Board has adopted an Audit Committee Charter which sets out the Audit Committee's mandate, organization, powers and responsibilities. A copy of the Audit Committee Charter is attached hereto as Schedule "A".

### Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors consisting of Gregory Stewart, Jay Roberge and Conrad Swanson. The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate' for the purposes of NI 52-110.

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Gregory Stewart	Yes	Yes
Jay Roberge	Yes	Yes
Conrad Swanson	No	Yes

#### Notes:

- (1) To be independent, a member of the Audit Committee must not have any direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Accordingly, an executive officer of the Company is not independent, nor is a director that is paid consulting fees for non-director services provided to the Company.
- (2) To be considered financially literate, a member of the Audit Committee must have 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's financial statements.

### Relevant Education and Experience

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 and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

- (c) 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 one or more persons engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting, are as follows:

Member	Education/Experience
Gregory Stewart	Mr. Stewart is a self-employed businessman. He is a founding partner and the Chairman and CEO of Belvedere Parkway Capital Management (since 1988), a private company. Mr. Stewart has served as a director or executive officer of public companies, being a director (1999 – December 2011) and Chairman and CEO (January 2008 – April 2010) of Algonquin Oil and Gas Ltd., a company then trading on the TSXV.
Jay Roberge	Mr. Roberge is an entrepreneur businessman with over 25 years’ experience. During this time, he has served as a director or executive officer of numerous public and private companies in energy, mining, and technology. He is a regular speaker at international conferences on mining, fintech (Crypto), energy and technology. Mr. Roberge is President and Director of Pantera Silver Corp (previously Red Oak Mining Corp.), a TSXV-listed company.
Conrad Swanson	Mr. Swanson is an entrepreneur businessman with over 25 years’ experience. Over the past 25 years he has served as a director or executive officer of numerous public companies engaged in various industries including mineral and coal resource, dot.com and other technologies and clean energy sectors.

Audit Committee Oversight

Since the commencement of the Company’s most recent financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 – Audit Committee Composition & Reporting Obligations

Since the Company is a “**venture issuer**” (as such term is defined in NI 52-110), it is relying on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 *Composition of the Audit Committee* (as described in “*Composition of the Audit Committee*” above) and Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about an audit committee in the Company’s Annual Information Form, if any, and this Information Circular).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter, attached hereto as Schedule “A”.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
June 30, 2025	\$33,000	Nil	Nil	Nil
June 30, 2024	\$33,000	Nil	Nil	Nil

Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**1. Financial Statements and Auditor's Report**

The Board has approved the audited financial statements for the fiscal year ended June 30, 2025, together with the auditor's report thereon, copies of which have been sent to those shareholders who had requested receipt of same. Copies of these materials are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**2. Set Number of Directors**

Management of the Company intends to propose a resolution to set the number of directors at five (5).

**3. Election of Directors**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed, unless the office is vacated earlier in accordance with the Articles of the Company and the *Business Corporations Act* (British Columbia) or unless a director becomes disqualified to act as a director. The Management of the Company proposes to nominate the five persons listed below for election as directors of the Company to serve until the next annual general meeting of the Company or until their successors are elected or appointed.

The following table sets out the names of management's nominees for election as directors, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, if any, their principal occupations or employment during the past five years, the period of time each has been a director of the Company, and the number of common shares beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the Record Date.

Name, Province or State and Country of Residence and Position Held <sup>(1)</sup>	Principal Occupation for the Past Five (5) Years	Director of the Company Since	Number of Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>CONRAD SWANSON<sup>(2)</sup></b> British Columbia, Canada  <i>Chairman, President &amp; Director</i>	Chairman of the Company (since Dec, 2015) and President & CEO of the Company (since Mar 2017 and Apr 1996 - Dec 2015); Director of the Company (since April 1996); and CEO (Dec 2011 – Apr 2015).	April 15, 1996	1,234,126
<b>GREGORY STEWART<sup>(2)</sup></b> Alberta, Canada  <i>Director</i>	Self employed businessman. Founding Partner, Chairman and CEO of Belvedere Parkway Capital Management (since 1988).	December 14, 2011	514,650
<b>MAX SALI</b> British Columbia, Canada  <i>Director</i>	CEO of Defense Metals Corp. (2017-2019); CEO of New Placer Dome Gold Corp (2019 to May 2022); and Currently Corporate Development and Director of Monumental Minerals.	May 12, 2022	Nil
<b>MALCOLM DORSEY</b> British Columbia, Canada  <i>Director</i>	One of the founders and CEO, President and Director of Torr Metals Inc. (since November 2021); Co-founder, President and Director of Torr Resources Corp., a private minerals exploration company (since October 2018); and self employed geological consultant (since May 2013).	September 22, 2022	1,170
<b>ANDREW NEALE</b> British Columbia, Canada <i>Director nominee</i>	CEO of the Company (since September 8, 2025); Director of Technical Services at Merdeka Copper & Gold, an Indonesian metal and mineral mining holding company (2018–2020); Feasibility Study Project Manager at Asiamet, an Indonesian copper producer company (2020–2023); and Feasibility Study Project Manager at J Resources, an Indonesian gold mining company (2023–2025).	N/A	Nil

Notes:

- (1) This information has been furnished by the respective directors.
- (2) Denotes member of Audit Committee.

Management does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the persons designated by management of the Company in the enclosed Proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer 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, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

To the knowledge of the Company, no proposed director:

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

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company.

#### **4. Re-Appointment of Auditor**

**Shareholders of the Company will be asked to vote for the re-appointment of DeVisser Gray LLP, Chartered Professional Accountants, as auditor of the Company to hold office until the next annual general meeting of shareholders of the Company, at a remuneration to be fixed by the directors.**

#### **5. Ratification of the Omnibus Incentive Plan**

As described in this Information Circular above, under heading **Stock Option Plans and Other Incentive Plans**, on November 3, 2025, the Board adopted the Plan, which is a “rolling up to 10%” plan (as defined in Policy 4.4). In compliance with Policy 4.4, the Plan requires ratification by the shareholders at the Meeting.

##### *Plan Ratification Resolution*

At the Meeting, shareholders will be asked to consider, and if thought fit, to ratify, confirm and approve the Plan by way of an ordinary resolution. The full text of the resolution is set out below. In order to be passed, the resolution requires the approval of a majority of the votes cast thereon by shareholders of the Company present in person or represented by proxy at the Meeting.

**“RESOLVED** as an ordinary resolution. with or without variation, that:

- (a) the Company’s omnibus incentive plan (“**Plan**”), in substantially the form attached as Schedule “B” to the Information Circular, be and is hereby ratified, confirmed and approved;
- (b) subject to the effectiveness of the Plan, all existing stock options of the Company’s 2022 Plan shall be governed by the terms of the Plan;
- (c) the Company is authorized to grant stock options under the Plan, in accordance with its terms;
- (d) the Board of Directors be and is hereby authorized to make any changes to the Plan as may be required by the TSXV; and
- (e) any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds, and things and execute, under the seal of the Company or otherwise, all such documents as may be required to give effect to this resolution.”

**The directors of the Company unanimously recommend that shareholders vote in favour of the Plan.**

Unless otherwise directed, the Management Proxyholders intend to vote FOR the approval of the Plan.

#### **OTHER BUSINESS**

Management of the Company is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the common shares represented thereby in accordance with their best judgment on such matter.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company and its operations is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information concerning the Company is also provided on the SEDAR+ website in the Company's comparative financial statements and management's discussion and analysis for the most recently completed financial year.

Shareholders may also obtain a copy of the Company's financial statements and management's discussion and analysis upon request to the Company by mail at Suite 888 - 700 West Georgia Street, Vancouver, British Columbia V7Y 1G5.

### **BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing has been authorized by the Board.

DATED this 5th day of November, 2025

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

*"Andrew Neale"*

Andrew Neale  
Chief Executive Officer

**SCHEDULE “A”  
TO INFORMATION CIRCULAR OF  
COPAU MINERALS INC.  
(THE “COMPANY”)**

**AUDIT COMMITTEE CHARTER**

**PURPOSE OF THE COMMITTEE**

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Corporation is to provide an open avenue of communication between management, the Corporation’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Corporation’s financial reporting and disclosure practices;
- the Corporation’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Corporation’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Corporation’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Corporation or of an affiliate of the Corporation. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Corporation or of an affiliate of the Corporation. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Corporation’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“GAAP”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Corporation’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Corporation’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

## **AUTHORITY AND RESPONSIBILITIES**

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. review with management and the independent auditor the adequacy and effectiveness of the Corporation's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Corporation's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Corporation, including consideration of the independent auditor's judgment about the quality and appropriateness of the Corporation's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Corporation by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Corporation and all non-audit work performed for the Corporation by the independent auditor.
11. Establish and review the Corporation's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Corporation.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.

## SCHEDULE "B"

### COPAUR MINERALS INC.

### OMNIBUS INCENTIVE PLAN

CopAur Minerals Inc. (the "**Company**") hereby establishes an omnibus incentive plan for directors, officers, key employees and Consultants of the Company and any of its Subsidiaries.

## ARTICLE 1

### Definitions

#### Section 1.1. Definitions.

In this Plan, unless the context otherwise requires:

**"Account"** means an account maintained for each Participant on the books of the Company that will be credited with Awards in accordance with the terms of this Plan;

**"Affiliate"** has the meaning provided in TSXV Policy 1.1;

**"Annual Base Compensation"** means an annual compensation amount payable to directors and executive officers, as established from time to time by the Board;

**"Award"** means any of an Option, DSU, or RSU granted to a Participant pursuant to the terms of the Plan;

**"Black-Out Period"** means a period of time when pursuant to any policies of the Company (including the Company's insider trading policy), securities of the Company may not be traded by certain Persons designated by the Company;

**"Board"** means the board of directors of the Company;

**"Business Day"** means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Vancouver, British Columbia for the transaction of banking business;

**"Canadian Participant"** means a Participant who is subject to tax under the Tax Act in respect of an Award;

**"Cash Equivalent"** means the amount of money equal to the Market Price multiplied by the number of vested RSUs or DSUs, as applicable, in the Participant's Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date or the Filing Date, as applicable;

**"Cashless Exercise Right"** has the meaning provided in Section 3.6(c);

**"Cause"** has the meaning provided in Section 6.2(a);

**“Change of Control”** means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Company or any of its affiliates or subsidiary) thereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (British Columbia)) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Company with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;
- (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);
- (iii) the occurrence of a transaction requiring approval of the Company’s security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);
- (iv) a majority of the Board consists of individuals which management of the Company has not nominated for election or appointment as directors; or
- (v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

**“Company”** means CopAur Minerals Inc., a company existing under the laws of British Columbia;

**“Consultant”** means, in relation to the Company, an individual (other than a director, officer or employee of the Company or of any of its Subsidiaries) or corporation that: (a) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or to any of its Subsidiaries, other than services provided in relation to a Distribution (as such term is defined in TSXV Policy 1.1); (b) provides the services under a written contract between the Company or any of its Subsidiaries and the individual or the corporation, as the case may be; and (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its Subsidiaries;

**“Consulting Agreement”** means, with respect to any Participant, any written consulting agreement between the Company or a Subsidiary and the Participant;

**“Deferred Payment Date”** means for a Participant the date after the RSU Vesting Determination Date, but no later than the Restricted Period in respect of RSUs, which date is the earlier of (a) the date which the Participant elected to defer receipt of the underlying Shares in accordance with Section 4.4; and (b) the Participant’s Termination Date;

**“Dividend Equivalent”** means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant’s Account;

**“DSU” or “Deferred Share Unit”** means a right granted to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof upon Termination of Service, as provided in ARTICLE 5 and subject to the terms and conditions of this Plan;

**“DSU Agreement”** means a document evidencing the grant of DSUs and the terms and conditions thereof;

**“DSU Settlement Amount”** means the amount of Shares, Cash Equivalent, or combination thereof, calculated in accordance with Section 5.6, to be paid to settle a DSU Award after the Filing Date;

**“Effective Date”** means the effective date of the Plan as provided in Section 8.11;

**“Eligible Participants”** means any director, officer, employee or Consultant of the Company or any of its Subsidiaries, but for the purposes of Article 5, this definition is limited to directors of the Company;

**“Employment Agreement”** means, with respect to any Participant, any written employment agreement between the Company or a Subsidiary and the Participant;

**“Exercise Notice”** means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

**“Filing Date”** has the meaning set out in Section 5.5(a), as applicable;

**“Grant Agreement”** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, an RSU Agreement, an Employment Agreement or a Consulting Agreement;

**“Incentive Stock Option” or “ISO”** means an Option that is granted to a U.S. Participant, as described in Section 3.8 who is an employee and is intended to meet the requirements of Section 422 of the U.S. Tax Code, as described in Section 3.8;

**“Insider”** has the meaning set out in TSXV Policy 1.1;

**“Market Price”** (for the purposes of this definition, Issuer means Company) means the last closing price of the Issuer’s Listed Shares before either the issuance of the news release or the filing of the Form 4A – Price Reservation Form required to fix the price at which the securities are to be issued or deemed to be issued (the **“Notice of the Transaction”**), except under the following circumstances, where applicable:

(a) **“Consolidation/Split Exception”** The Market Price is to be adjusted for any concurrent or recent share consolidation or split;

(b) **“Material Information Exception”** If the Issuer announces Material Information regarding the affairs of the Issuer after providing Notice of the Transaction, then the Market Price will be at least equal to the closing price of the Listed Shares on the Trading Day after the day on which that Material Information was announced;

(c) **“Price Interference Exception”** If the Exchange determines that the closing price is not a fair reflection of the market for the Listed Shares and the Listed Shares appear to have been high-closed or low-closed, then the Exchange will determine the Market Price to be used;

(d) **“Suspension Exception”** If the Issuer is suspended from trading or has for any reason not traded for an extended period of time, the Exchange may determine the deemed Market Price

to be used or may require that the Issuer be reinstated to trading for a period of time before an acceptable Market Price can be established; and

(e) *“Minimum Price Exception”* Except for special warrants and subscription receipts, the Exchange will not permit any securities convertible, exercisable or exchangeable into Listed Shares, including Security Based Compensation issued pursuant to a Security Based Compensation Plan, Warrants, Agent’s Options and Commission Warrants, to be issued with an effective issue, conversion, exercise or exchange price of less than \$0.05 per Listed Share. Further, the Exchange generally will not permit Listed Shares to be issued from treasury at a price less than \$0.05, provided, however, that other than securities issued in connection with a New Listing (including a CPC IPO, Bridge Financing, Concurrent Financing and other concurrent transaction), the Exchange may permit Listed Shares to be issued from treasury at a price that is less than \$0.05 and not less than \$0.01 where all of the following applicable criteria are satisfied:

(i) the proposed price is protected/reserved by way of a news release and not by way of a Form 4A – Price Reservation Form and the last closing price of the Issuer’s Listed Shares at that time is not greater than \$0.05;

(ii) the aggregate number of Listed Shares of an Issuer that are issued at a price or deemed price that is less than \$0.05 in any 12 month period does not exceed 100% of the number of Listed Shares of the Issuer which were issued and outstanding, on a non-diluted basis, at the beginning of that 12 month period;

(iii) not more than 10% of the proceeds of any financing will be used for Investor Relations Activities;

(iv) the Issuer fully discloses to the public at the time of announcement of any financing and at the time of closing of any financing the proposed use of proceeds of the financing, including a breakdown by amount or percentage of:

(A) any proposed payments to Non-Arm’s Length Parties of the Issuer; and

(B) any proposed payments to Persons conducting Investor Relations Activities; and

(C) any specific use representing 10% or more of the gross proceeds; and

(v) in addition to any applicable Resale Restrictions under Securities Laws, all securities issued at a price or deemed price that is less than \$0.05, except in the case of securities whose Distribution was qualified by a Prospectus or securities issued pursuant to Policy 4.5 – Rights Offerings, are subject to the Exchange Hold Period and legended accordingly.

**“Option”** means an option granted by the Company to a Participant entitling the Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof, and includes an ISO;

**“Option Agreement”** means a document evidencing the grant of Options and the terms and conditions thereof;

**“Option Price”** has the meaning provided in Section 3.2;

**“Option Term”** has the meaning provided in Section 3.4;

**“Outstanding Issue”** means the number of Shares that are issued and outstanding, on a non-diluted basis;

**“Participants”** means Eligible Participants that are granted Awards under the Plan;

**“Performance Criteria”** means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award;

**“Performance Period”** means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

**“Person”** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

**“Plan”** means this Omnibus Incentive Plan, including any amendments or supplements hereto made after the Effective Date;

**“Prior Plan”** means the stock option plan of the Company in effect immediately prior to the Effective Date;

**“Restricted Period”** means the period determined by the Board pursuant to Section 4.3;

**“RSU”** means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof as provided in Article 4 and subject to the terms and conditions of this Plan;

**“RSU Agreement”** means a document evidencing the grant of RSUs and the terms and conditions thereof;

**“RSU Settlement Date”** has the meaning determined in Section 4.8(a);

**“RSU Vesting Determination Date”** has the meaning described thereto in Section 4.7;

**“Shares”** means the common shares in the share capital of the Company;

**“Share Compensation Arrangement”** means a stock option, stock option plan, deferred share unit, deferred share unit plan, restricted share unit, restricted share unit 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 employees, directors, officers, Insiders, or Consultants of the Company or a Subsidiary including a share purchase from treasury by an employee, director, officer, Insider, or Consultant which is financially assisted by the Company or a Subsidiary by way of a loan, guarantee or otherwise, any of which will only be adopted to the extent permitted by the policies of the TSX Venture Exchange while the Shares are listed for trading on the TSX Venture Exchange; provided, however, that any such arrangements that do not involve the issuance from treasury or potential issuance from treasury of Shares of the Company are not “Share Compensation Arrangements” for the purposes of this Plan;

**“Stock Exchange”** means the TSX Venture Exchange (TSXV) (Exchange) (or any other stock exchange on which the Shares are then listed and trading, if the Shares are not listed and trading on the TSX Venture Exchange);

**“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

**“Tax Act”** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

**“Termination”** means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by, or otherwise have a service relationship with, the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is neither a member of the Board nor a director of the Company or any of its Subsidiaries;

**“Termination Date”** means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Company or one of its Subsidiaries, and (ii) in the event of the termination of the Participant’s employment, or position as an executive or officer of the Company or a Subsidiary, or as a Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or the Subsidiary, as the case may be, and, for greater certainty, without regard to any period of notice, pay in lieu of notice, or severance that may follow the Termination Date pursuant to the terms of the Participant’s employment or services agreement (if any), the applicable employment standards legislation or the common law (if applicable), and regardless of whether the Termination was lawful or unlawful, except as may otherwise be required to meet minimum standards prescribed by the applicable standards legislation;

**“Termination of Service”** means that a Participant has ceased to be an Eligible Participant, and for greater certainty, for those Eligible Participants who are not solely directors of the Company, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by the Company or has ceased providing ongoing services as a Consultant to the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is neither a member of the Board nor a director of the Company or any of its Subsidiaries;

**“TSXV Policy 1.1”** means Policy 1.1 – Interpretation of the TSX Venture Exchange;

**“TSXV Policy 4.4”** means Policy 4.4 – Security Based Compensation of the TSX Venture Exchange;

**“TSXV Share Limits”** means: (i) the maximum number of Shares issuable to any one Participant under Awards in any 12-month period shall not exceed 5% of the Outstanding Issue (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of Shares issuable to any one Consultant in any 12-month period shall not exceed 2% of the Outstanding Issue; and (iii) Investor Relations Service Providers (within the meaning of TSXV Policy 4.4) (A) may only be granted Options under an Award, (B) the maximum number of Shares issuable to all Investor Relations Service Providers under any Options awarded shall not exceed 2% of the Outstanding Issue in any 12-month period, in each case measured as of the date of grant of an Award, and (C) may not be granted a Cashless Exercise Right;

**“U.S. Participant”** means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from

United States income taxation under the relevant provisions of the U.S. Tax Code or the Canada-U.S. Income Tax Convention, as amended;

**“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

**“U.S. Person”** means a “U.S. person” as defined in Regulation S under the U.S. Securities Act;

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended;

**“U.S. Tax Code”** means the United States Internal Revenue Code of 1986, as amended; and

**“Vested Awards”** has the meaning described thereto in Section 6.2(e).

- (a) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.
- (b) The division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (c) In this Plan, words importing the singular include the plural, and vice versa and words importing any gender include any other gender.
- (d) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (e) The words “and/or” means either of the alternatives or both of the alternatives as the context requires.
- (f) Unless otherwise specified in the Participant’s Grant Agreement, all references to money amounts are to Canadian currency. For purposes of this Plan, the legal representatives of a Participant only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (g) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2**

### **PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

#### **Section 2.1. Purpose of the Plan.**

The purpose of the Plan is to permit the Company to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Company's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary;
- (b) to provide an incentive to Eligible Participants to continue their services for the Company or a Subsidiary and to encourage Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and
- (d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

**Section 2.2. Implementation and Administration of the Plan.**

- (a) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. If such a committee is appointed for this purpose, all references to the "Board" herein will be deemed references to that committee. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (b) Subject to ARTICLE 7 and any applicable rules of the Stock Exchange, the Board may, from time to time, as it deems expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (c) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Company, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Company, its Subsidiaries and all Eligible Participants.
- (d) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.
- (e) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Company. For greater clarity, the Company shall not by virtue of this Plan be in any

way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

**Section 2.3. Participation in this Plan.**

- (a) The Company makes no representation or warranty as to the future market price of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with such Participant's own tax advisors.
- (b) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or the Participant's estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.
- (c) Unless otherwise determined by the Board and subject to Policy 4.4 of the TSX Venture Exchange, the Company shall not offer financial assistance to any Participant in regard to the exercise of any Award granted under this Plan.
- (d) The Board may also require that any Eligible Participant in the Plan provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable laws, including, without limitation, exemptions from the registration requirements of the U.S. Securities Act, and applicable U.S. state securities laws.
- (e) In connection with an Award to be granted to any Eligible Participant, it shall be the responsibility of such person and the Company to confirm that such person is a bona fide Eligible Participant for the purposes of participation under the Plan.

**Section 2.4. Shares Subject to the Plan.**

- (a) Subject to adjustment pursuant to ARTICLE 7, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares from treasury.
- (b) The maximum number of Shares issuable pursuant to outstanding Awards under this Plan shall not exceed 10% of the total number of Shares outstanding at any given time, less any Shares reserved for issuance under the Plan.

- (c) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.
- (d) The Plan is an “evergreen” plan, meaning that Shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

**Section 2.5. Limits with respect to other Share Compensation Arrangements, Insiders, Individual Limits, and Annual Grant Limits.**

- (a) The maximum number of Shares issuable pursuant to this Plan and any other Share Compensation Arrangement shall not exceed the limits set out in Section 2.4(b).
- (b) The maximum number of Shares issuable to Eligible Participants who are Insiders (as a group), at any time, under this Plan and any other Share Compensation Arrangement, shall not exceed 10% of the Outstanding Issue at any point in time, unless requisite disinterested shareholder approval has been obtained to exceed.
- (c) The maximum number of Shares issuable to Eligible Participants who are Insiders (as a group), within any one year period, under this Plan and any other Share Compensation Arrangement, shall not exceed 10% of the Outstanding Issue at any point in time, unless requisite disinterested shareholder approval has been obtained to exceed.
- (d) Subject to the policies of the Stock Exchange, any Shares issued or Award granted pursuant to the Plan, or securities issued under any other Share Compensation Arrangement prior to a Participant becoming an Insider, shall be included for the purposes of the limits set out in Section 2.4(b) and Section 2.5(b).
- (e) Subject to the policies of the Stock Exchange, in the event of the death of a Participant, the legal representative, liquidator, executor or administrator, as the case may be, of the estate of the Participant is not entitled to make a claim in respect of an Award granted to such Participant after the first anniversary of the death of such Participant.
- (f) The TSXV Share Limits shall apply to the Shares issued or issuable under any Award granted under the Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the TSX Venture Exchange.

**Section 2.6. Granting of Awards.**

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any Stock Exchange or under any law or regulation of any jurisdiction, or the consent or approval of any Stock Exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase

of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

#### **Section 2.7. TSX Venture Exchange Vesting Restrictions.**

While the Shares are listed for trading on the TSX Venture Exchange:

- (a) no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an Eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction; and
- (b) any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange and may not be accelerated without prior approval of the TSX Venture Exchange.

#### **Section 2.8. Relationship with Prior Plan.**

The Plan supersedes and replaces the Prior Plan, which is terminated and of no force or effect as of the Effective Date. All securities granted under the Prior Plan shall continue to exist and shall remain outstanding in accordance with their terms, provided that from the Effective Date, such securities shall be governed by this Plan.

### **ARTICLE 3**

#### **OPTIONS**

##### **Section 3.1. Nature of Options.**

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

##### **Section 3.2. Option Awards.**

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of the Stock Exchange.

### **Section 3.3. Option Price.**

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted but shall not be less than the Market Price of such Shares at the time of the grant.

### **Section 3.4. Option Term.**

- (a) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten years from the date the Option is granted (the “**Option Term**”).
- (b) Should the expiration date for an Option fall within a Black-Out Period, such an expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black-Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding the foregoing, this automatic extension shall not apply to any Option held by a U.S. Participant if such extension would (i) cause the Option to fail to qualify as an "Incentive Stock Option" under Section 422 and 424 of the U.S. Tax Code, or (ii) cause the Option to become subject to Section 409A of the U.S. Tax Code. In such cases involving a U.S. Participant, the Option Term shall expire on the original expiration date, even if such date falls within a Black-Out Period.

### **Section 3.5. Exercise of Options.**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with any insider trading policies implemented by the Company.

### **Section 3.6. Method of Exercise and Payment of Purchase Price.**

- (a) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the corporate secretary of the Company (or the individual that the corporate secretary of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 8.2, the amount necessary to satisfy any taxes.
- (b) Upon the exercise, the Company shall, as soon as practicable after such exercise but no later than ten Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:

- (i) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (ii) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.
- (c) Subject to the rules and policies of the Stock Exchange (including the TSXV Share Limits, as applicable), the Board may, in its discretion and at any time, determine to grant a Participant the right, when entitled to exercise Options, to deal with such Options on a “cashless exercise” basis (the “**Cashless Exercise Right**”). The Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to exercise such Options by notice in writing to the Company. Under the Cashless Exercise Right, a brokerage firm has an arrangement with the Company whereby the brokerage firm will loan money to a Participant to purchase Shares underlying Options. The brokerage firm then sells a sufficient number of Shares to cover the exercise price of the Options in order to replay the load made to the Participant. The brokerage firm receives an equivalent number of Shares from the exercise of the Options, and the Participant then receives the balance of Shares or the cash proceeds from the balance of such Shares, subject to the deductions and withholdings set forth in Section 8.2.
- (d) In the event the Board grants and the Participant exercises Options pursuant to a Cashless Exercise Right:
  - (i) the Company shall, in respect of a Canadian Participant, make an election pursuant to subsection 110(1.1) of the Tax Act; and
  - (ii) the number of Options exercised, and not the number of Shares issued by the Company pursuant to such Cashless Exercise Right, shall be included in calculating the limitations in Section 2.4(b), Section 2.5(b) and the TSXV Share Limits, as applicable.

### **Section 3.7. Option Agreements.**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement may contain any such terms that the Company considers necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company. Any Option Agreement evidencing an ISO granted to a U.S. Participant shall explicitly state that the Option is intended to qualify as an Incentive Stock Option under Section 422 of the U.S. Tax Code and shall incorporate the limitations of Section 3.8 of this Plan.

### **Section 3.8. Incentive Stock Options.**

- (a) ISOs are available only for Participants who are employees of the Company, or a “parent corporation” or “subsidiary corporation” (as those terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. In addition, a Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as provided in this section. A Participant’s employment will be deemed to continue during period of sick leave, military leave or other *bona fide* leave of absence, provided the leave of absence does not exceed three months, or the Participant’s return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability (as defined in Section 22(e)(3) of the U.S. Tax Code), an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option’s term. Nothing in this section will be deemed to extend the original expiry date of an Option.
- (b) A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the U.S. Tax Code, Shares possessing more than 10% of the total combined voting power of all classes of stock of the Company may not be granted an Option that is an ISO unless the Option Price is at least 110% of the Market Price of the Shares, as of the date of the grant, and the Option is not exercisable after the expiration of five years from the date of grant.
- (c) To the extent the aggregate Market Price (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds US\$100,000, the Options or portions thereof that exceed that limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable Option Agreement. Any Option or portion thereof that does not qualify as an Incentive Stock Option due to this limitation or for any other reason shall be treated as a Nonqualified Stock Option and shall be subject to applicable U.S. federal income and employment tax withholding upon exercise.
- (d) Any modification, extension, or renewal of an Incentive Stock Option shall be subject to the rules of Section 424(h) of the U.S. Tax Code, which may disqualify the Option from treatment as an Incentive Stock Option.
- (e) To receive qualified Incentive Stock Option tax treatment under Section 422 of the U.S. Tax Code, a Participant must not dispose of the Shares acquired pursuant to the exercise of an ISO within two (2) years from the date the ISO was granted, nor within one (1) year from the date the ISO was exercised.

## **ARTICLE 4**

### **RESTRICTED SHARE UNITS**

#### **Section 4.1. Nature of RSUs.**

A “**Restricted Share Unit**” (or “**RSU**”) is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Participant to acquire Shares as determined by the Board or to

receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria. Unless otherwise determined by the Board in its discretion, the Award of an RSU is considered a bonus for services rendered in the calendar year in which the Award is made. It is intended that RSUs granted to U.S. Participants under this Plan shall qualify for the "short-term deferral" exception specified in Treas. Reg. § 1.409A-1(b)(4), and the Plan shall be interpreted consistently with such intent.

#### **Section 4.2. RSU Awards.**

- (a) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restricted Period of such RSUs, (provided, however, that no such Restricted Period, in respect of a Canadian Participant, shall exceed the three years referenced in Section 4.3), and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (b) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each vested RSU awarded to a Participant shall entitle the Participant to receive one Share, the Cash Equivalent or a combination thereof upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the Restricted Period. For greater certainty, RSUs that are subject to Performance Criteria may not become fully vested by the last day of the Restricted Period.

#### **Section 4.3. Restricted Period.**

Subject to Section 2.7(a), the applicable restricted period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than December 15 of the calendar year which commences three years after the calendar year in which the services for which such RSU is granted were rendered (the "**Restricted Period**"). All unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as that term is defined in Section 4.7) and, in any event, all unvested RSUs shall be cancelled no later than the last day of the Restricted Period.

#### **Section 4.4. Deferred Payment Date (Canadian Participants Only).**

Participants who are Canadian Participants may elect to defer to receive all or any part of the Shares, the Cash Equivalent or a combination thereof, underlying RSUs until one or more Deferred Payment Dates, which dates shall not extend beyond the Restricted Period of the RSUs. Any other Participant may not elect a Deferred Payment Date. Notwithstanding any election made under this Section 4.4, in the event a Participant is or becomes a U.S. Participant, the settlement of such Participant's RSUs shall be governed by U.S. federal income tax law as provided in Section 8.9. To the extent necessary to ensure such RSU qualifies for the short-term deferral exception under Section 409A and its related

regulations, any vested RSUs shall be settled in accordance with Section 4.8(a)(i), and any election for a Deferred Payment Date under this Section 4.4 shall not apply to such Participant.

**Section 4.5. Prior Notice of Deferred Payment Date (Canadian Participants Only).**

Participants who elect to set a Deferred Payment Date must give the Company written notice of the Deferred Payment Date(s) not later than thirty days prior to the RSU Vesting Determination Date. For certainty, Participants shall not be permitted to give any such notice after the day which is thirty days prior to the expiration of the RSU Vesting Determination Date and a notice once given may not be changed or revoked.

**Section 4.6. Termination after Restricted Period.**

In the event of Termination of the Participant following the RSU Vesting Determination Date and prior to a Deferred Payment Date (as elected by a Canadian Participant), the Participant shall be entitled to receive, and the Company shall issue Shares, the Cash Equivalent or a combination thereof in satisfaction of the RSUs then held by the Participant as soon as administratively practical thereafter but in all events by no later than the March 15 date that follows such Termination.

**Section 4.7. RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU have been met (the “**RSU Vesting Determination Date**”), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than December 15 of the calendar year which commences three years after the calendar year in which the services for which such RSU is granted were rendered. For purposes of U.S. federal income tax law, the RSU Vesting Determination Date shall be deemed the date on which the RSUs are no longer subject to a “substantial risk of forfeiture” within the meaning of Section 409A of the U.S. Tax Code.

**Section 4.8. Settlement of RSUs.**

- (a) Except as otherwise provided in the RSU Agreement, all vested RSUs covered by a particular grant shall be settled as soon as practicable following their RSU Vesting Determination Date (or, for Canadian Participants only who have made a valid election pursuant to Section 4.4, the Deferred Payment Date), but in any event (i) for U.S. Participants, no later than March 15 of the calendar year following the calendar year in which the RSU Vesting Determination Date occurs, and (ii) for Canadian Participants, no later than the end of the Restricted Period (the date of such settlement being the “RSU Settlement Date”).
- (b) Settlement of RSUs shall take place promptly following the RSU Settlement Date, and shall take the form determined by the Board, in its sole discretion. Settlement of RSUs shall be subject to Section 8.2 and shall take place through:
  - (i) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (ii) in the case of settlement of RSUs for Shares (which may include Shares purchased

in the secondary market by a trustee or administrative agent appointed by the Board): (A) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or (B) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive, to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or

- (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

#### **Section 4.9. Determination of Amounts.**

- (a) For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.8, such calculation will be made on the RSU Settlement Date based on the Market Price on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account to settle in cash.
- (b) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.8, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account to settle in Shares.

#### **Section 4.10. RSU Agreements.**

RSUs shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement may contain any such terms that the Company considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

#### **Section 4.11. Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares, as a bonus for services rendered in the year such cash dividends are declared, as if the Participant was a shareholder of record of Shares on the relevant record date (including RSUs in which the RSU Vesting Determination Date has been met, but the Shares have not been issued due to a Deferred Payment Date).

Any Dividend Equivalent will be settled at the same time as the RSUs to which such Dividend Equivalent relates.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Company's account.

## ARTICLE 5

### DEFERRED SHARE UNITS

#### Section 5.1. Nature of DSUs.

A "Deferred Share Unit" (or "DSU") is an Award attributable to a Participant's duties as a director of the Company and that, upon settlement, entitles the recipient Participant to receive such number of Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

#### Section 5.2. DSU Awards.

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSU Awards under the Plan, (ii) fix the number of DSU Awards to be granted to each Eligible Participant, and (iii) fix the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement. Each DSU awarded shall entitle the Participant to one Share, or the Cash Equivalent, or a combination thereof.

#### Section 5.3. Payment of Annual Base Compensation.

- (a) Subject to the Board determining otherwise, each Participant may elect to receive in DSUs any portion or all of their Annual Base Compensation by completing and delivering a written election to the Company on or before November 5 of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.
- (b) Further, where an individual becomes a Participant for the first time during a fiscal year and, for individuals that are U.S. Participants, such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A of the U.S. Tax Code, such individual may elect to defer Annual Base Compensation with respect to fiscal quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than 30 days after the later of the Plan's adoption or such individual's appointment as a Participant. For greater certainty, new Participants will not be entitled to receive DSUs for any Annual Base Compensation earned pursuant to an election for the quarter in which they submit their first election to the Company or any previous quarter.

- (c) All DSUs granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable (the "**Grant Date**").
- (d) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Price of the Shares. For greater certainty, fractional DSUs credited to an Account shall be settled in cash in accordance with Section 8.8.
- (e) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Price of the Shares. For greater certainty, fractional DSUs credited to an Account shall be settled in cash in accordance with Section 8.8.

#### **Section 5.4. Additional Deferred Share Units.**

In addition to DSUs granted pursuant to Section 5.3, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services they render to the Company or its Subsidiaries. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. An award of DSUs pursuant to this Section 5.4 shall be subject to a DSU Agreement evidencing the Award and the terms applicable thereto.

#### **Section 5.5. Settlement of DSUs.**

- (a) A Participant may receive their Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon Termination of Service, by filing a redemption notice on or before December 15 of the first calendar year commencing after the date of the Participant's Termination of Service. Notwithstanding the foregoing, if any Participant does not file such notice on or before that December 15, the Participant will be deemed to have filed the redemption notice on December 15 (the date of the filing or deemed filing of the redemption notice, the "**Filing Date**"). In all cases for each U.S. Participant, the U.S. Participant will be deemed to have filed the redemption notice on the date of their "separation from service" (as defined in Section 8.3(b)).
- (b) The Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and, in any event, for a Canadian Participant, no later than the end of the first calendar year commencing after the Participant's Termination of Service. For a U.S. Participant, payment of the DSU Settlement Amount shall be made in a lump sum following the Participant's "separation from service" (as defined in Section 8.3(b)). Such payment shall be made at the time prescribed in, and subject in all cases to, the payment-timing provisions for U.S. Participants set forth in Section 8.3, including the mandatory six-month delay for "specified employees" under Section 8.3(c). For purposes of determining the DSU Settlement Amount under Section 5.6, the "Filing Date" for a U.S. Participant shall be the date of their "separation from service."
- (c) In the event of the death of a Participant, the Company will, subject to Section 8.2, make payment of the DSU Settlement Amount as soon as administratively practicable following

the Participant's death, but in no event later than December 31 of the calendar year in which the Participant's death occurs, to or for the benefit of the legal representative of the deceased Participant. For the purposes of the calculation of the DSU Settlement Amount, the Filing Date shall be the date of the Participant's death. "Further, in the event of a Participant's 'Disability' (as defined in Section 8.3(f)), the Company will, subject to Section 8.2 and Section 8.3, make payment of the DSU Settlement Amount to the Participant as soon as administratively practicable following the final determination of such Disability, but in no event later than December 31 of the calendar year in which such final determination of Disability occurs, to or for the benefit of the Participant. For the purposes of the calculation of the DSU Settlement Amount, the Filing Date shall be the date of such final determination of Disability.

- (d) Subject to Section 2.7(a) and the terms of the DSU Agreement, including the satisfaction or, at the discretion of the Board, waiver of any vesting conditions, settlement of DSUs shall take place promptly following the Filing Date, and take the form as determined by the Board, in its sole discretion. Settlement of DSUs shall be subject to Section 8.2 and shall take place through:
  - (i) in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (ii) in the case of settlement of DSUs for Shares: (A) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or (B) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive, to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (iii) in the case of settlement of the DSUs for a combination of Shares and the Cash Equivalent, a combination of (i) and (ii) above.

**Section 5.6. Determination of DSU Settlement Amount.**

- (a) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 5.5 such calculation will be made on the Filing Date based on the Market Price on the Filing Date multiplied by the number of vested DSUs in the Participant's Account to settle in cash.
- (b) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of DSUs pursuant to Section 5.5, such calculation will be made on the Filing Date based on the whole number of Shares equal to the whole number of vested DSUs then recorded in the Participant's Account to settle in Shares.

### **Section 5.7. DSU Agreements.**

DSUs shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement may contain any such terms that the Company considers necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

### **Section 5.8. Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. However, to the extent that Dividend Equivalents awarded under this Section 5.8 entitle Participants to receive additional DSUs, the maximum aggregate number of Shares that might possibly be issued to satisfy this obligation must be included in the grant limits in Section 2.4(b), clauses (i) and (ii) of the defined term "TSXV Share Limits", Section 2.5(a), Section 2.5(b) and Section 2.5(c), and if the Company does not have a sufficient number of Shares available under this Plan to satisfy its obligations in respect of such Dividend Equivalents it shall make payments in cash. All Dividend Equivalents will be settled at the same time as the underlying DSUs pursuant to Section 5.5.

## **ARTICLE 6**

### **GENERAL CONDITIONS**

#### **Section 6.1. General Conditions Applicable to Awards.**

Each Award, as applicable, shall be subject to the following conditions:

- (a) **Vesting Period.** Subject to Section 2.7, each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Option or RSU becomes exercisable notwithstanding the vesting schedule set forth for such Option or RSU, as applicable, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration; provided, however, that the Board shall not have the authority to accelerate the time of payment of any Award that constitutes "deferred compensation" subject to Section 409A, except as permitted under Section 409A.
- (b) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Company or any of its Affiliates in connection with the employment, retention or termination of any such

Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.

- (c) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Company or any Subsidiary.
- (d) **Rights as a Shareholder.** Neither the Participant nor the Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Subject to Section 4.11 and Section 5.8, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (e) **Conformity to Plan.** In the event that an Award is granted, or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (f) **Non-Transferrable Awards.** Each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
- (g) **Participant's Entitlement.** Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Company ceasing to be a Subsidiary of the Company, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Company and not of the Company itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## **Section 6.2. General Conditions Applicable to Options.**

Each Option shall be subject to the following conditions:

- (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination.
- (b) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of such Participant's employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of 90 days after the Termination Date, or the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire. Notwithstanding the foregoing, any vested Option must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an Eligible Participant under this Plan.
- (c) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of such Participant's resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation, and (ii) unless otherwise determined by the Board, in its sole discretion, each vested Option granted to such Participant will cease to be exercisable on the earlier of the 90 days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire. Notwithstanding the foregoing, any vested Option must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an Eligible Participant under this Plan.
- (d) **Permanent Disability/Retirement.** Upon a Participant ceasing to be an Eligible Participant by reason of retirement (in accordance with any retirement policy implemented by the Company from time to time) or permanent disability (as defined in Section 22(e)(3) of the U.S. Tax Code), (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the 90 days from the date of retirement or the date on which the Participant ceases such Participant's employment or service relationship with the Company or any Subsidiary by reason of permanent disability (as defined in Section 22(e)(3) of the U.S. Tax Code), and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (e) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the "**Vested Awards**") on the date of such Participant's death. Such Vested Awards shall only be exercisable within 12 months after the Participant's death or prior to the expiration of the original term of the Options whichever occurs earlier.

### **Section 6.3. General Conditions Applicable to RSUs.**

Each RSU shall be subject to the following conditions:

- (a) **Termination for Cause or Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of such Participant's resignation from the Company or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled RSUs that have not vested.
- (b) **Death or Termination Other than for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination for reasons other than for Cause, (iv) such Participant's employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability, or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant's Account as of such date relating to a Restricted Period in progress shall be terminated, and the Participant shall not receive any payment in lieu of cancelled RSUs.
- (c) **General.** For greater certainty, where a Participant's employment or service relationship with the Company or a Subsidiary is terminated pursuant to Section 6.3(a) or Section 6.3(b) following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment provided such distribution or payment is made within a reasonable period, not exceeding 12 months, following termination of such Participant's employment or service relationship.

## **ARTICLE 7**

### **ADJUSTMENTS AND AMENDMENTS**

#### **Section 7.1. Adjustment to Shares.**

In the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or Shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Company or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number or kind of Shares reserved for issuance pursuant to the Plan.

**Section 7.2. Change of Control.**

- (a) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, subject to Section 7.3, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control.
- (b) If the Company completes a transaction constituting a Change of Control and within 12 months following the Change of Control, (i) a Participant who was also an officer or employee of, or Consultant to, the Company prior to the Change of Control has their position, employment or Consulting Agreement terminated, or the Participant is constructively dismissed, or (ii) a director ceases to act in such capacity, then all unvested RSUs shall immediately vest and shall be paid out notwithstanding the RSU Vesting Determination Date and any Deferred Payment Date, and all unvested Options shall vest and become exercisable, provided that any acceleration of the vesting of Options issued to any Investor Relations Service Provider may not be accelerated without the prior approval of the TSX Venture Exchange. Any Options that become exercisable pursuant to this Section 7.2(b) shall remain open for exercise until the earlier of their expiry date as set out in the Grant Agreement and the date that is 90 days after such termination or dismissal.
- (c) Notwithstanding any other provision of this Plan, this Section 7.2 shall not apply with respect to any DSUs held by a Participant where such DSUs are governed under paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (d) For U.S. Participants, the definition of “Change of Control” is governed by Section 8.3(e).

**Section 7.3. Amendment or Discontinuance of the Plan.**

- (a) The Board may suspend or terminate the Plan at any time. Notwithstanding the foregoing, any suspension or termination of the Plan shall be such that the provisions of the Plan relating to DSUs granted to Canadian Participants continuously meet the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision and that the provisions of the Plan relating to RSUs granted to Canadian Participants continuously meet the requirements of paragraph (k) of the definition of “salary deferral arrangement” in the Tax Act or any successor to such provision.
- (b) The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company make the following types of amendments to this Plan or any Award, subject to any regulatory or Stock Exchange requirement at the time of such amendment:
  - (i) amendments of a “housekeeping” nature, including any amendment that is necessary to: (A) clarify an existing provision of the Plan; (B) correct or supplement

any provision of the Plan that is inconsistent with any other provision of the Plan; (C) comply with applicable law or the requirements of the Stock Exchange or any other regulatory body; or (D) correct any grammatical or typographical errors in the Plan; and

- (ii) amendments regarding the administration of the Plan.
- (c) With approval of the shareholders of the Company (including disinterested shareholder approval, as applicable) and subject to any regulatory or Stock Exchange requirement at the time of such amendment, the Board may amend this Plan, or any Award, including amendments to the provisions of this Plan that:
- (i) amend the definition of an Eligible Participant under the Plan;
  - (ii) increase the maximum number of Shares issuable under the Plan (either as a fixed number or fixed percentage of the Outstanding Issue), except in the event of an adjustment pursuant to ARTICLE 7;
  - (iii) increase the maximum number of Shares that may be (A) issuable to Insiders at any time, or (B) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to ARTICLE 7;
  - (iv) increase the maximum number of Shares that may be issuable to any one person, within a one-year period;
  - (v) amend the method for determining the Option Price;
  - (vi) extend the maximum term of any Award;
  - (vii) amend the expiry and termination provisions applicable to an Award; and
  - (viii) amend the amendment provisions of the Plan.
- (d) While the Shares are listed for trading on the TSX Venture Exchange, disinterested shareholder approval will be required for any decrease in the Option Price or extension of the Option Term for any Options held by Insiders.
- (e) Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan relating to DSUs granted to Canadian Participants continuously meet the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision and that the provisions of the Plan relating to RSUs granted to Canadian Participants continuously meet the requirements of paragraph (k) of the definition of “salary deferral arrangement” in the Tax Act or any successor to such provision.

#### **Section 7.4. TSX Venture Exchange Approval of Adjustments.**

While the Shares are listed for trading on the TSX Venture Exchange, any adjustment, other than in connection with a subdivision of the Shares into a greater number of Shares pursuant to Section 7.1(a) or a consolidation of Shares into a lesser number of Shares pursuant to Section 7.1(b), to any Award pursuant to the provisions hereof is subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

## ARTICLE 8

### MISCELLANEOUS

#### **Section 8.1. Use of an Administrative Agent.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan, including for the purposes of making secondary market purchases of Shares for delivery on settlement of an Award, if applicable, and to act as agent to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

#### **Section 8.2. Tax Withholding.**

Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Company determines, subject to compliance with the policies of the TSX Venture Exchange, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 8.1, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Company as appropriate.

#### **Section 8.3. US Tax Compliance.**

- (a) DSU Awards granted to U.S. Participants are intended to comply with, and Option and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A of the U.S. Tax Code and related regulations ("Section 409A"). Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.
- (b) For purposes of interpreting and applying the provisions of any DSU or other Award subject to Section 409A (including, without limitation, determining the payment timing for DSUs granted to a U.S. Participant under Section 5.5), the terms "Termination," "Termination Date," and "Termination of Service" shall be interpreted to mean a "separation from service," as defined under Section 409A, provided, however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then "termination of employment" will be interpreted to only include a complete termination of the employment relationship.
- (c) Notwithstanding any provision to the contrary in this Plan or any Grant Agreement, any payment of an Award subject to Section 409A to a U.S. Participant who is a "specified

employee" (as determined under Section 8.3(d)) that is payable on account of a "separation from service" shall be delayed for a period of six (6) months following the date of such "separation from service." The accumulated amount of any such delayed payment shall be paid in a lump sum on the first business day following the expiration of such six-month delay period (or, if earlier, the date of the Participant's disability (within the meaning of Section 8.3(f)) or death).

- (d) For purposes of identifying a "specified employee" under Section 8.3(c), the Company shall use a specified employee identification date of December 31 of each year. Any U.S. Participant identified as a specified employee as of such date shall be treated as a specified employee for the 12-month period beginning on the following April 1.
- (e) Notwithstanding any other provision of this Plan to the contrary, for any U.S. Participant, any definition or provision of this Plan that would otherwise cause an Award to fail to comply with Section 409A shall be interpreted or deemed amended to comply with Section 409A. Without limiting the generality of the foregoing, (i) the definition of "Change of Control" in Section 1.1 shall not apply to any Award subject to Section 409A, and (ii) any payment of an Award subject to Section 409A that is triggered by a "Change of Control" shall only be made if such event constitutes a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5).
- (f) For purposes of any Award subject to Section 409A, any payment to a U.S. Participant triggered by a "disability" shall only be made if such event constitutes a "disability" within the meaning of Section 409A(a)(2)(C) of the U.S. Tax Code and its underlying regulations, notwithstanding any other provision or definition of "disability" or "permanent disability" in the Plan.

#### **Section 8.4. Clawback.**

Notwithstanding any other provisions in this Plan, any Award that is subject to recovery under any law, government regulation or Stock Exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or Stock Exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or Stock Exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which such Participant is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable Stock Exchange listing standards, including and any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other person, other than the Participant and such Participant's permitted transferees, if any,

will be responsible for any adverse tax or other consequences to a Participant or such Participant's permitted transferees, if any, that may arise in connection with this Section 8.4.

**Section 8.5. Securities Law Compliance.**

- (a) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Company's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (b) No Awards shall be granted in the United States or to U.S. Persons and no Shares shall be issued in the United States or to U.S. Persons pursuant to any such Awards unless such Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States or to U.S. Persons, and any Shares issued pursuant thereto, pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing Awards granted in the United States or to U.S. Persons or Shares issued in the United States or to U.S. Persons pursuant to such Awards pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:

THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

For Options Include:

THE OPTIONS REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE OPTIONS REPRESENTED HEREBY MAY NOT BE EXERCISED IN THE UNITED STATES OR BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON OR A PERSON IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES LAWS AND APPLICABLE STATE SECURITIES LAWS. AS USED HEREIN, THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS ASCRIBED TO THEM IN REGULATIONS UNDER THE U.S. SECURITIES ACT.

- (c) Options issued in the United States or to U.S. Persons may not be exercised in the United States or by, or on behalf of, a U.S. Person unless exemptions are available from the registration requirements of the U.S. Securities Act and applicable state securities laws.
- (d) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (e) The Company shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws. If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Company to issue such Shares shall terminate and any funds paid to the Company in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

#### **Section 8.6. Reorganization of the Company.**

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

#### **Section 8.7. Quotation of Shares.**

So long as the Shares are listed on one or more Stock Exchanges, the Company must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

**Section 8.8. No Fractional Shares.**

No fractional Shares shall be issued upon the exercise or vesting of any Award granted under the Plan. In the event a Participant would otherwise become entitled to a fractional Share upon the exercise or settlement of an Award, or from an adjustment permitted by the terms of this Plan, such Participant shall receive, in lieu of such fractional Share, a cash payment equal to the Market Price of such fractional Share determined as of the same date such Award is valued for settlement purposes (which, for a DSU, shall be the Filing Date).

**Section 8.9. Governing Laws.**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the province of British Columbia and the laws of Canada applicable therein. Notwithstanding the foregoing, all provisions of this Plan applicable to U.S. Participants shall be construed and administered in accordance with applicable U.S. federal income tax law.

**Section 8.10. Severability.**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

**Section 8.11. Effective Date of the Plan.**

This Plan becomes effective on a date to be determined by the Board, subject to the approval of the shareholders of the Company and acceptance of the TSXV.