



**NORTHSTAR**  
CLEAN TECHNOLOGIES

**MANAGEMENT INFORMATION CIRCULAR**

**AND**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS OF**

**NORTHSTAR CLEAN TECHNOLOGIES INC.**

**TO BE HELD ON JULY 28, 2022**

**Dated: June 23, 2022**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**to be held on July 28, 2022 at 11:00 a.m. (Vancouver time)**  
**at 7046 Brown Street, Delta, BC V4G 1G8**

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders (each, a “**Shareholder**”) of Northstar Clean Technologies Inc. (the “**Company**”) will be held at 7046 Brown Street, Delta, BC V4G 1G8 on Thursday, July 28, 2022 at 11:00 am (Pacific Standard Time) to consider resolutions for the following purposes:

1. To receive and consider the comparative financial statements of the Company for the financial year ended December 31, 2021, together with the report of the auditor thereon;
2. To set the number of directors at six (6);
3. To elect Aidan Mills, James Currie, James Borkowski, Gregg Sedun, Neil Currie, and Gordon Johnson as directors for the ensuing year;
4. To appoint Davidson & Company LLP as auditor of the Company for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditor;
5. To consider, and if thought fit, to approve the Company's 2022 Equity Incentive Plan, including approval of a 10% rolling plan for stock options and a fixed plan of 6,500,000 common shares for awards of restricted share units, performance share units and deferred share units, all as described in the accompanying management information circular (the “**Information Circular**”); and
6. To transact such other business as may properly be put before the Meeting.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice of annual general and special meeting (this “**Notice**”).

The board of directors of the Company has fixed June 23, 2022 as the record date for the determination of Shareholders entitled to Notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to such Notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1 [Fax: Within North America: 1-866-249-7775, Outside North America: (416) 263-9524] not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or an adjournment thereof.

If you are a non-registered Shareholder of the Company and received this Notice and accompanying materials through a broker, a financial institution, a participant, or a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Delta, British Columbia this 23<sup>rd</sup> day of June, 2022.

BY ORDER OF THE BOARD OF DIRECTORS OF  
**NORTHSTAR CLEAN TECHNOLOGIES INC.**

/s/ “Aidan Mills”  
**Aidan Mills, CEO, President & Director**

# MANAGEMENT INFORMATION CIRCULAR

as at June 23, 2022

## INTRODUCTION

This information circular (the “**Information Circular**”) accompanies the notice of annual general and special meeting of shareholders (the “**Notice**”) of Northstar Clean Technologies Inc. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (the “**Shares**”) of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held on Tuesday, July 28, 2022 at 11:00 am (Vancouver time), or at any adjournment or postponement thereof.

## Date and Currency

The date of this Information Circular is June 23, 2022. Unless otherwise stated, all amounts herein are in Canadian dollars.

## MANAGEMENT SOLICITATION OF PROXIES

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation to any of the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principal's authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers who are NOBOs (as defined below), and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the “**Proxy**”) are officers of the Company. **A registered Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons named as the proxy of the Shareholder and may exercise this right either by inserting that person's name in the blank space provided in the Proxy and striking out the other names or by completing another proper form of proxy.** To be effective, Proxies must be deposited at the office of the Company's registrar and transfer agent, Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or adjournment thereof.

Proxies given by registered Shareholders for use at the Meeting may be revoked at any time before their use. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by depositing an instrument in writing signed by the registered Shareholder, or by the registered Shareholder's attorney duly authorized in writing, at the registered office of the Company, 7046 Brown Street, Delta, BC V4G 1G8 on or before the last business day preceding the day of the Meeting, or any adjournment thereof, or with the chair of the Meeting on the day of the Meeting, or any adjournment thereof.

## BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders, as many Shareholders do not hold their Shares in their own name. Shareholders holding their Shares through banks, trust companies, securities dealers or brokers, trustees or administrators of RRSPs, RRIFs, RESPs and similar plans or other persons (any one of which is herein referred to as an “**Intermediary**”) or otherwise not in their own name (such Shareholders herein referred to as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders appearing on the records maintained by the Company's transfer agent as registered Shareholders will be recognized and allowed to vote at the Meeting. If a Shareholder's Shares are listed in an account statement provided to the Shareholder by a broker, in all likelihood those Shares are not registered in the Shareholder's name and that Shareholder is a Beneficial Shareholder. Such Shares are most likely registered in the name of the Shareholder's broker or an agent of that broker. In Canada the vast majority of such Shares are registered under

the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In accordance with the requirements of National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the Notice, this Information Circular and a request for voting instructions (a "**VIF**"), instead of a Proxy (the Notice, Information Circular and VIF or Proxy are collectively referred to as the "**Meeting Materials**") indirectly through Intermediaries to the NOBOs and OBOs. The Company does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediaries assume the cost of delivery.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered Shareholder) how to vote the Beneficial Shareholder's Shares on the Beneficial Shareholder's behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted. If you have any questions respecting the voting of Shares held through an Intermediary, please contact that Intermediary for assistance.

The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Shares which they beneficially own. A Beneficial Shareholder receiving a VIF cannot use that form to vote Shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

All references to Shareholders in this Information Circular and the accompanying instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

### **Voting and Discretion of Proxies**

The Shares of the Company represented by the Proxies solicited by management of the Company pursuant to this Information Circular will be voted or withheld from voting in accordance with the directions contained therein. **If no directions are given, the Shares will be voted FOR the fixing of the number of directors at six (6), FOR the election of management's nominees as directors of the Company, FOR the appointment of management's nominee as auditors of the Company and authorizing the directors to fix their remuneration and FOR the approval of the Company's 2022 Equity Incentive Plan. The Proxy confers discretionary authority on the persons named therein in respect of amendments or variations to the matters referred to in the Notice and in respect of other matters that may properly come before the Meeting, or any adjournment thereof.**

As at the date of this Information Circular, management knows of no such amendments or variations or other matters that may properly come before the Meeting but, if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the Proxies will vote thereon in accordance with their best judgment.

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

Except as disclosed herein, the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a director of the Company; and each associate or affiliate of any of the foregoing.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2021, together with the auditor's report on those statements and management discussion and analysis ("MD&A"), will be presented to the Shareholders at the Meeting.

## VOTING SECURITIES, RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Shares without par value. As at the date of this Information Circular, 106,125,903 Shares are issued and outstanding. Each Share of the Company carries the right to one vote, and all Shares may be voted at the Meeting.

The record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting has been fixed as June 23, 2022. Except as may be otherwise indicated herein and in the Notice, the affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Information Circular.

To the knowledge of the directors and senior officers of the Company, no persons or companies beneficially own, or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company.

## SETTING NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at six (6). The number of directors will be approved if the affirmative vote of at least a majority of Shares represented by Proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at six (6).

## ELECTION OF DIRECTORS

The board of directors of the Company (the "Board") is elected annually and holds office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. The management of the Company proposes to nominate the persons listed below (the "Proposed Nominees") for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the management of the Company will be voted for the Proposed Nominees in this Information Circular.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT, PRIOR TO THE MEETING, ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

The following table sets out the names of the Proposed Nominees for election as a director, the province or state and country in which ordinarily resident, the period or periods during which each has served as a director, positions held in the Company, their present principal occupations and number of Shares of the Company or shares of any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly as at the date hereof.

Name, Positions with the Company, Province/State and Country of Resident	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years	Period from Which Nominee Has Been Director	Number of Shares Beneficially Owned <sup>3</sup>
Aidan Mills, President & CEO Calgary, AB, Canada	CEO of the Company since July 2021 and President since December 2021. Previously Chief Commercial Officer at Friesen Group from 2020 to 2021 and VP of Marketing & Business Development for MEG Energy Corp.	Dec 15/21	750,000

Name, Positions with the Company, Province/State and Country of Resident	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years	Period from Which Nominee Has Been Director	Number of Shares Beneficially Owned <sup>3</sup>
	from 2017 to 2020. Managing Director & Co-Head of North American commodity sales for Goldman Sachs from 2014 to 2016.		
James Currie <sup>2</sup> Vancouver, BC, Canada	Current President & CEO of Anacortes Mining Corp. and former COO of Equinox Gold, Pretium Resources and New Gold. Professional Mining Engineer.	Dec. 23/20	659,245
James Borkowski <sup>1-Chair, 2-Chair, 3, 4</sup> Vancouver, BC, Canada	Served in executive roles for private & public companies for 25 years.	Dec. 23/20	1,325,029
Gregg Sedun <sup>1, 2, 3-Chair, 4-Chair</sup> Vancouver, BC, Canada	Approximately 40 years of industry-related experience. Former securities and corporate finance lawyer. Current President & CEO of Global Vision Capital, a private venture capital firm. Served in executive and Board roles for private & public companies for 25+ years.	Dec. 23/20	1,887,361
Neil Currie <sup>1,4</sup> Vancouver, BC, Canada	Managing Partner & Co-Founder of Capital Event Management Ltd. since 2010. President of Currie Capital since 2009.	Mar. 15/19	1,493,969
Gordon Johnson <sup>3</sup> Delta, BC, Canada	Co-Founder and Director of the Company since 2015. Former President of the Company until December 2021.	Dec. 23/20	5,181,447

(1) Member of the audit committee (the "**Audit Committee**") of the Company.

(2) Member of the compensation committee (the "**Compensation Committee**") of the Company.

(3) Member of the governance committee (the "**Governance Committee**") of the Company.

(4) Member of the disclosure committee (the "**Disclosure Committee**") of the Company.

(5) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 23, 2022, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such Shares are held directly.

### Advance Notice Policy

The Articles of the Company (the "**Articles**") include an advance notice policy (the "**Advance Notice Policy**") for the purpose of providing Shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of Shareholders. The Shareholders approved the Articles at the annual general and special meeting held on December 10, 2020.

The purpose of the Advance Notice Policy is to (i) ensure that all Shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of Shareholders of the Company. The Advance Notice Policy fixes a deadline by which holders of record of Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in a written notice to the Company for any director nominee to be eligible for election at such annual or special meeting of Shareholders. A copy of the Advance Notice Policy may be obtained by contacting the Company.

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

No proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30

consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the 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; or
- (d) 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
- (e) has been subject to any 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.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

For the purpose of this Statement of Executive Compensation:

**"Compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries; and

**"Named Executive Officer"** or **"NEO"** means each of the following individuals:

- (a) each individual who served as CEO of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as CFO of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries other than individuals identified in paragraphs (a) and (b) 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
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, 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 details of all payments, grants, awards, gifts and benefits paid or awarded to each director and NEO in two most recently completed financial years ended December 31, 2021:

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Aidan Mills <sup>2</sup> , CEO, President & Director	2021	201,390	Nil <sup>1</sup>	Nil	Nil	Nil	201,390
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Neil Currie <sup>3</sup> Director & Previous CEO	2021	40,000	Nil	Nil	Nil	Nil	40,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
James Currie Exec. Chair & Director	2021	24,000	Nil	Nil	Nil	Nil	24,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
James Borkowski, Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Gregg Sedun, Lead Independent Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Gordon Johnson, Director <sup>4</sup> , Director of Business Development	2021	142,000	Nil <sup>1</sup>	Nil	Nil	Nil	142,000
	2020	55,761	Nil	Nil	Nil	Nil	55,761
Rosemary Pritchard <sup>5</sup> , CFO	2021	18,744	Nil	Nil	Nil	Nil	18,744
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Kellie Johnston <sup>6</sup> , CSO & General Counsel	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Under their current employment contracts, Aidan Mills is eligible for a 2021 bonus of \$129,688 and Gordon Johnson is eligible for a bonus of \$34,238. These bonus amounts have been approved by the Compensation Committee and the Board, but will not be paid until October 2022 at the earliest.
- (2) Effective September 1, 2021, under the terms of his employment agreement, Mr. Mills receives an annual salary of \$250,000 for his role as President and Chief Executive Officer.
- (3) Neil Currie resigned as Chief Executive Officer on July 12, 2021, and remains a director of the Company.
- (4) Effective September 1, 2021, under the terms of his employment agreement, Mr. Johnson receives an annual salary of \$165,000 for his role as Director of Business Development.
- (5) Effective December 9, 2021, under the terms of her employment agreement, Ms. Pritchard receives an annual salary of \$200,000 for her role as Chief Financial Officer.
- (6) Effective January 20, 2022, under the terms of her employment agreement, Ms. Johnston receives an annual salary of \$200,000 for her role as Chief Sustainability Officer and General Counsel.



## Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the financial year ended December 31, 2021 for services provided, to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Aidan Mills <sup>1</sup> , CEO, President & Director	Stock Options	1,000,000 (47.62%)	July 12/21	\$0.35	N/A	\$0.36	July 12/26
Neil Currie <sup>1</sup> Director & Previous CEO	Stock Options	750,000 (22.73%) 200,000 (9.52%)	Feb. 16/21 July 12/21	\$0.35 \$0.35	N/A	\$0.36	Feb. 16/26 July 12/26
James Currie Exec. Chair & Director	Stock Options	500,000 (15.15%) 200,000 (9.52%)	Feb 16/21 July 12/21	\$0.35 \$0.35	N/A	\$0.36	Feb. 16/26 July 12/26
James Borkowski, Director	Stock Options	250,000 (7.58%) 100,000 (4.76%)	Feb 16/21 July 12/21	\$0.35	N/A	\$0.36	Feb. 16/26
Gregg Sedun, Lead Independent Director	Stock Options	250,000 (7.58%) 200,000 (9.52%)	Feb. 16/21 July 12/21	\$0.35 \$0.35	N/A	\$0.36	Feb. 16/26 July 12/26
Gordon Johnson, Director & Director of Business Development	Stock Options	250,000 (7.58%) 100,000 (4.76%)	Feb. 16/21 July 12/21	\$0.35 \$0.35	N/A	\$0.36	Feb. 16/26 July 12/26
Rosemary Pritchard <sup>2</sup> , CFO	Stock Options	200,000 (15.69%)	Dec 15/21	\$0.35	\$0.29	\$0.36	Dec. 15/26
Kellie Johnston <sup>3</sup> , CSO & General Counsel	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A

- (1) Each stock option entitles the holder to one common share upon exercise. For further information, see “Stock Option Plans and Other Incentive Plans” below.
- (2) Aidan Mills held a total of 1,000,000 stock options as at December 31, 2021. Mr. Mills was appointed CEO on July 12, 2021 and was appointed director and President on December 15, 2021.
- (3) Neil Currie held a total of 950,000 stock options as at December 31, 2021. Mr. Currie resigned as Chief Executive Officer on July 12, 2021 and remains a director.
- (4) James Currie held a total of 700,000 stock options as at December 31, 2021.
- (5) James Borkowski held a total of 350,000 stock options as at December 31, 2021.
- (6) Gregg Sedun held a total of 450,000 stock options as at December 31, 2021.
- (7) Gordon Johnson held a total of 350,000 stock options as at December 31, 2021.
- (8) Rosemary Pritchard held a total of 200,000 stock options as at December 31, 2021
- (9) Kellie Johnston held nil stock options as at December 31, 2021.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price & closing price on date of exercise (\$)	Total value on exercise date (\$)
Nil							

## Stock Option and Other Incentive Plans

### 2021 Equity Incentive Plan

The Company's 2021 Equity Incentive Plan (the “**2021 Plan**”) was approved by the Shareholders at the Company's Annual General and Special Meeting held on December 15, 2021 includes the ability to issue stock options

("Options") restricted share units ("RSUs") and performance share units ("PSUs"), whereby the aggregate number of Shares reserved for issuance in respect of Options shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an Option is granted. The aggregate number of Shares issuable in respect of performance-based awards (RSUs and PSUs) is currently 5,000,000 Shares. The Current Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, the ability to issue Options, RSUs and/or PSUs.

The 2021 Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The 2021 Plan is administered by the directors of the Company. All options expire on a date not later than ten years after the date of grant of such option.

For information pertaining to the proposed 2022 Equity Incentive Plan, see the section of this Circular entitled "Particulars of Matters to be Acted Upon - Stock Incentive Compensation Plan".

The following information is intended as a brief description of the 2021 Plan and is qualified in its entirety by the full text of the 2021 Plan, which was attached as Schedule "B" to the Company's Information circulated dated December 15, 2021 and was filed under the Company's profile on SEDAR on November 18, 2021, and is available at [www.sedar.com](http://www.sedar.com):

1. The aggregate number of Shares issuable under the Equity Plan in respect of stock options shall not exceed 10% of the Company's total issued and outstanding Shares from time to time;
2. The aggregate number of Shares issuable under the Equity Plan in respect of performance share units and restricted share units shall not exceed 5,000,000 Shares;
3. So long as it may be required by the rules and policies of the TSXV:
  - (a) the total number of Shares issuable to any Participant under the Equity Plan, within any one-year period, together with Shares reserved for issuance to such Participant under all of the Company's other security-based compensation arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares;
  - (b) the total number of Shares issuable to insiders under the Equity Plan, within any one-year period and at any time under the Equity Plan, together with Shares reserved for issuance to insiders within any one-year period and at any time under all of the Company's other security-based compensation arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares; and
  - (c) the total number of Shares issuable to any consultant, together with Shares issuable to such consultant under all of the Company's other security-based compensation arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve-month period; and
  - (d) the total number of Shares issuable to persons performing investor relations activities, together with Shares issuable to persons performing investor relations activities under all of the Company's other security-based compensation arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve-month period.
4. stock options granted under the Equity Plan will have an expiry date not to exceed ten years from the date of grant;
5. any stock options, performance share units or restricted share units granted that expire or terminate for any reason without having been exercised, in the case of stock options, or without having vested, in the case of performance share units restricted share units, will again be available under the Equity Plan;
6. stock options will vest as required by the Exchange and as may be determined by the administrator of the Equity Plan, or in the absence of such body, the Board;
7. the minimum exercise price of any stock options issued under the Equity Plan will be determined by the Board at the time of grant, subject to the requirements of the TSXV;
8. unless the award agreement provides for a longer period, all vested stock options will expire 90 days after an optionee ceases to be involved with the Company for any reason other than a termination for cause (and in the event of a termination for cause, all vested and unvested options will terminate immediately);
9. unless agreed otherwise, all unvested stock options, performance share units and restricted share units will expire on the date of resignation or termination of a grantee's relationship with the Company;

10. if the award agreement so provides, vesting of a stock option, performance share unit or restricted share unit may be accelerated in the event of a change of control (as defined in the Equity Plan);
11. the Company cannot grant options, performance share units or restricted share units to any one consultant in any 12-month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding Shares of the Company;
12. the Company cannot grant options in any twelve-month period to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vested in any three-month period; and
13. in connection with the exercise of an option, as a condition to such exercise the Company may require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option.

All options to acquire Shares of the Company previously issued by the Company to directors, officers, employees and consultants of the Company and currently outstanding shall be deemed to have been granted and issued under the Plan and otherwise be governed by the terms and conditions of the Equity Plan, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such options.

At June 23, 2022 there were 7,235,854 Stock Options outstanding under the Company's Current Plan and 355,025 RSUs and 3,559,278 PSUs issued.

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

Effective September 1, 2021, the Company entered into an employment agreement with Aidan Mills (pursuant to which Mr. Mills agreed to act as the Company's Chief Executive Officer beginning September 1, 2021 for an annual base salary of \$250,000. In addition, the Company agreed to grant Mr. Mills stock options and short and long-term incentives. The Company also agreed to reimburse Mr. Mills for all out-of-pocket expenses and to provide him with certain technology and support. Mr. Mills is entitled to six weeks of vacation per annum. In the event the Company terminates the Mills Agreement without just cause, Mr. Mills will be entitled to 24 months notice (or payment in lieu of notice) and he will be entitled to retain all vested and unvested stock options, performance stock units (if any) and restricted stock units (if any), and a one-time payment equal to 5% of his base annual salary. If the termination without just cause occurs within three months of a change of control event (as defined in the Mills Agreement), Mr. Mills will be entitled to an additional 12 months' notice (or payment in lieu of notice).

The Company entered into an employment agreement with Gordon Johnson as Director of Business Development, effective September 1, 2021 with compensation of \$165,000 per year. Upon a change of control, if Mr. Johnson resigns for good reason within three months, then he is eligible to receive 12 months' pay in lieu of notice, as well as an amount equal to the value of his annual bonus.

On December 9, 2021, the Company entered into an agreement with Rosemary Pritchard to act as Chief Financial Officer. Ms. Pritchard is paid \$200,000 annually, was issued 200,000 Options and is eligible to receive RSUs and PSUs. Ms. Pritchard is eligible to receive up to five weeks of paid vacation per calendar year. Upon a change of control, if Ms. Pritchard resigns for good reason within three months, then she is eligible to receive 12 months' pay in lieu of notice, as well as an amount equal to the value of her annual bonus.

On January 20, 2022, the Company entered into an agreement with Kellie Johnston, to act as Chief Sustainability Officer and General Counsel. Ms. Johnston is paid \$200,000 annually, was issued 200,000 Options and is eligible to receive RSUs and PSUs. Ms. Johnston is eligible to receive up to five weeks of paid vacation per calendar year. Upon a change of control, if Ms. Johnston resigns for good reason within three months, then she is eligible to receive 12 months' pay in lieu of notice, as well as an amount equal to the value of her annual bonus.

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

The Company has a Compensation Committee consisting of James Borkowski, Chair, Gregg Sedun and James Currie. Messrs. Borkowski and Sedun are independent directors as defined under applicable Canadian securities laws.

The Company also has a Governance Committee consisting of Gregg Sedun, Chair, James Borkowski, and Gordon Johnson. Messrs. Sedun and Borkowski are independent directors as defined under applicable Canadian securities laws.

The Company also has a Disclosure Committee consisting of Gregg Sedun, Chair, James Borkowski, and Neil Currie. Messrs. Sedun and Borkowski are independent directors as defined under applicable Canadian securities laws.

All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Compensation Committee. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Compensation Committee without reference to any specific formula or criteria.

The overall objective of the Company's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the CEO, if any, in this regard.

Executive officers' compensation is currently composed of two major components: a short-term compensation component, which includes the payment of management fees to certain NEOs, and a long-term compensation component, which includes the grant of Options, RSUs and PSUs under the Current Plan. Management fees primarily reward recent performance and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The Company intends to further develop these compensation components.

The management fee for each NEO, as applicable, is determined by the Compensation Committee based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time.

The second component of the executive officers' compensation is Options, RSUs and PSUs. The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the Shareholders of the Company. Therefore, a significant portion of total compensation granted by the Company is based upon overall corporate performance.

The Compensation Committee considers, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the performance of the executive. The Compensation Committee considers that the payment of such discretionary annual cash bonuses may satisfy the medium-term compensation component.

The Company relies on the Compensation Committee discussion, without formal objectives, criteria and analysis, when determining executive compensation. The Company is in the process of developing formal performance goals that must be satisfied in connection with the payment of executive compensation.

The NEOs' performances and salaries or fees are to be reviewed periodically. Increases in management fees are to be evaluated on an individual basis and are performance and market-based. Compensation will be tied to performance criteria or goals including milestones, agreements or transactions, and the Company will use a "peer group" to determine compensation.

### Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to the Company's Current Plan, being the Company's only equity compensation plan currently in effect:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	7,235,854 Options 355,925 RSUs <sup>(2)</sup> 3,559,278 PSUs <sup>(2)</sup>	\$0.35	3,376,736 Options A total of 1,084,797 RSUs and PSUs

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans not approved by securityholders <sup>(1)</sup>	N/A	N/A	N/A
<b>Total</b>	<b>11,151,057</b>	<b>N/A</b>	

(1) These numbers reflect the number of stock options outstanding at June 23, 2022

(2) The RSUs and PSUs were issued in June 2022, under the 2021 Equity Compensation Plan and vest over a period of three years.

## STATEMENT OF CORPORATE GOVERNANCE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, ("**NI 58-101**") of the Canadian Securities Administrators requires each reporting issuer to disclose its corporate governance practices on an annual basis.

Set out below is a description of the Company's approach to corporate governance.

### Board of Directors

NI 58-101 defines "independence" with reference to the definition of independence contained in National Instrument 52-110-Audit Committees ("**NI 52-110**"). A director is independent if he has no direct or indirect material relationship to 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 the director's independent judgment. Certain types of relationships are by their nature considered to be material relationships and are specified in Section 1.4 of NI 52-110.

As of June 23, 2022, the Board consisted of six (6) directors: Aidan Mills, James Currie, James Borkowski, Gregg Sedun, Neil Currie and Gordon Johnson. Of the current Board, James Borkowski and Gregg Sedun are independent. Aidan Mills, James Currie, Neil Currie and Gordon Johnson are not independent.

### Other Directorships

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer	Securities Exchange
Neil Currie	Badger Capital Corp.	TSXV
James Currie	Southern Empire Resources Corp.	TSXV
	Anacortes Mining Corp.	TSXV
	Badger Capital Corp.	TSXV
Gregg Sedun	Nation Gold Corp.	CSE

### Orientation and Continuing Education

The Company does not provide a formal orientation and education program for new directors; however, any new directors will be given the opportunity to familiarize themselves with the Company, the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education.

### Nomination of Directors

The Board selects new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and senior executives. The Board monitors, but does not formally assess, the performance of individual Board members or committee members or their contributions.

### Other Board Committees

The Company has an Audit Committee (please refer to the "Audit Committee" section), a Compensation Committee, a Governance Committee and a Disclosure Committee.

## Assessments

The Board relies on experts such as financial advisors and external legal counsel and forms special committees on an ad hoc basis as necessary. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers an external formal assessment process to be inappropriate at this time. The entire Board is responsible for selecting new directors and assessing current directors. A proposed director's credentials are reviewed in advance of a Board meeting by one or more members of the Board prior to the proposed director's nomination and in camera sessions are available at every Board meeting.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

### The Audit Committee's Charter

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached as Schedule "A" to this Information Circular.

### Composition of the Audit Committee

The following are members of the Audit Committee as at June 23, 2022:

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
James Borkowski	Y	Y
Gregg Sedun	Y	Y
Neil Currie	N	Y

<sup>(1)</sup> A member of the Audit Committee 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, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the CEO, is deemed to have a material relationship with the Company.

<sup>(2)</sup> A member of the Audit Committee is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

## Relevant Education and Experience

Each Audit Committee member has gained financial literacy through their years of experience serving as directors of several mining and mineral exploration companies as financial industry executives and serving on numerous other Audit Committees. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the Company and its operating results. Each member has significant understanding of the mineral exploration business which the Company engages in and has an appreciation for the relevant accounting principles for that business.

### James Borkowski

Over the past 25 years, James Borkowski has served in executive roles for several private and public companies and has specialized in operations, product development and strategic communications for clients including 7-Eleven, Caesar's Palace, Fairmont Hotels and Target Stores. He has also worked extensively in Asia with corporations including Nihon Shokken (Japan) and Fireswirl Technologies (Hong Kong).

Mr. Borkowski received his Chartered Director designation in 2016 and has served on multiple public company, private company and non-profit Boards since 1993 in sectors including technology, resource, industrial and consumer products. In the non-profit arena, Mr. Borkowski has worked as an executive and Board member of educational, faith and poverty outreach charities. He currently serves as the Archbishop's Delegate for Operations at the Archdiocese of Vancouver where he oversees nine offices and directs major capital and ministry projects.

His team works with more than 100 partner organizations and charities who assist with the execution of programs that aim to help children, the homeless population and refugees coming to Canada.

#### *Gregg Sedun*

Gregg J. Sedun, a venture capital professional based out of Vancouver, Canada, graduated with a Bachelor of Law Degree (LLB) from the University of Manitoba and has 40 years of industry-related experience. He was a former Partner at the Vancouver law firm Rand Edgar Sedun and specialized in the practice of corporate finance and securities law for 15 years until his retirement from law in 1997. Thereafter, Mr. Sedun founded two private venture capital firms, including Global Vision Capital, where he continues to carry on venture capital investing today. Global Vision backs projects and management teams with its own funds and has successfully raised significant capital through its global network of industry personnel, investment bankers, brokers, institutional and high net worth investors, and corporate professionals.

Mr. Sedun was one of the founding directors and/or shareholders in Diamond Fields Resources Inc. (acquired by Inco – now Vale – in 1996 for \$4.3 billion), Peru Copper Inc. (acquired by the Aluminum Corporation of China in 2007 for \$840 million in cash), and Adastra Minerals Inc. (acquired by First Quantum Minerals in 2006 for \$275 million).

#### *Neil Currie*

Mr. Currie has been the Managing Partner and co-founder of Capital Event Management Ltd. (“**CEM**”) from November 2010, a private company which produces live/virtual investment events that link emerging issuers and private companies with top finance professionals through virtual zoom meetings and or a weekend of one-on-one meetings/networking. He has been the President of Currie Capital, a private company, from January 2009. Since 2010, Mr. Currie and his team have organized over 70 investment conferences around North America, facilitating capital investment for companies listed on the Toronto Stock Exchange, the TSXV and the Canadian Securities Exchange. Mr. Currie also manages CEM Capital (Investment Fund Division of CEM). The investment fund focuses only on the speculative markets and is considered agnostic. This division allows CEM to take advantage of the opportunities that they meet with on a daily basis while also keeping the quality of attending issuers very high level.

Over the course of his 15+ year career in the Canadian small cap investment environment he has been directly involved in five reverse takeover transactions raising over \$60,000,000 while also holding various Board seats. Mr. Currie also served as CEO of Stockpools Inc., a private company that sold advertising to public companies, from 2012 to 2018.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (De Minimis Non-audit Services) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), 6.1.1(5) (Events Outside Control of Member) and 6.1.1(6) (Death, Incapacity or Resignation) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (Exemptions) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

### **Pre-Approval Policies and Procedures**

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “External Auditors Service Fees (By Category)”.

### **External Auditor Service Fees (By Category)**

The table below sets out all fees billed by the Company’s external auditor in each of the last two fiscal years. In the table “Audit Fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s financial statements for the fiscal year. “Audit-Related Fees” are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review

of the Company's financial statements. "Tax Fees" are fees billed by the Company's external auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the external auditor for products and services not included in the foregoing categories:

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2021	\$47,250	Nil	Nil	Nil
December 31, 2020	\$35,000	Nil	Nil	\$12,750 (Going Public Fees)

## INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As at December 31, 2021 there was no indebtedness outstanding with any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no Proposed Nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, in relation to a securities purchase program or other program.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as stated herein, no informed person, director, executive officer, nominee for director, any person who beneficially owns, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company, nor any associate or affiliate of such persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transactions or any proposed transactions which has materially affected or would materially affect the Company.

## APPOINTMENT AND REMUNERATION OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia as auditors of the Company for the fiscal year ending December 31, 2021, and to authorize the directors of the Company to fix the remuneration to be to be paid to the auditors. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by Proxy and entitled to vote at the Meeting. Davidson & Company LLP, Chartered Accountants, were appointed as the auditors of the Company on August 14, 2021.

**Management recommends that Shareholders vote for the appointment of Davidson & Company LLP, Chartered Accountants as the Company's auditors for the Company's fiscal year ending December 31, 2021 and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors.**

## MANAGEMENT CONTRACTS

There are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Approval of 2022 Equity Incentive Plan

The 2022 Equity Incentive Plan includes the ability to issue stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs"), and deferred share units ("DSUs"). The aggregate number of Shares reserved for issuance in respect of Options shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an Option is granted. The aggregate number of Shares issuable in respect of RSUs, PSUs and DSUs ("Other Equity" is proposed to be 6,500,000 Shares



At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution of disinterested shareholders approving the 2022 Plan in the form set out as Schedule “B” hereto

The following information is intended as a brief description of the 2022 Plan and is qualified in its entirety by the full text of the 2022 Plan.

### **Purpose**

The purpose of the 2022 Plan is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of the Company.

The 2022 Plan provides flexibility to the Company to grant equity-based incentive awards in the form of Options, (“Options”), restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”) and, collectively the RSUs, PSUs and DSUs, the “Other Equity Awards”) to eligible persons.

### **Shares Subject to the 2022 Plan**

The 2022 Plan is a rolling plan for Options and a fixed plan for Other Equity Awards such that the aggregate number of Shares that: (i) may be issued upon the exercise or settlement of Options granted under the 2022 Plan (and all of the Company’s other Security-Based Compensation Arrangements), shall not exceed 10% of the Company’s issued and outstanding Shares from time to time, such number being 106,125,903 as at June 23, 2022 and (ii) may be issued in respect of Other Equity Awards granted under the 2022 Plan (and all of the Company’s other Security-Based Compensation Arrangements) shall not exceed 6,500,000. The 2022 Plan is considered an “evergreen” plan, since Options which have been exercised, cancelled, terminated, surrendered, forfeited or expired without being exercised shall be available for subsequent grants under the 2022 Plan and the number of awards available to grant increases as the number of issued and outstanding Shares increases.

### **Participation Limits**

The 2022 Plan provides that:

- (a) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to insiders under the 2022 Plan, within any 12 month period, together with Shares reserved for issuance to insiders under all of the Company’s other Security-Based Compensation Arrangements (as defined in the 2022 Plan), shall not exceed 10% of the issued and outstanding Shares (calculated as at the date of any grant and in accordance with the policies of the Exchange (the “Exchange Policies”));
- (b) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to insiders under the 2022 Plan, at any point in time, together with Shares reserved for issuance to insiders under all of the Company’s other Security-Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Shares;
- (c) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any participant (as defined in the 2022 Plan) under the 2022 Plan, within any 12 month period, together with Shares reserved for issuance to such participant (and to Companies wholly-owned by that participant) under all of the Company’s other Security- Based Compensation Arrangements, shall not exceed 5% of the issued and outstanding Shares (calculated as at the date of any grant);
- (d) the maximum aggregate number of Shares issuable to any one consultant (as defined in the 2022 Plan) under the 2022 Plan, within any 12-month period, together with Shares issuable to such consultant under all of the Company’s other Security-Based Compensation Arrangements, shall not exceed 2% of the issued and outstanding Shares (calculated as at the date of any grant); and
- (e) the maximum aggregate number of Shares issuable pursuant to grants of Options to all investor relation service providers performing investor relations activities under the 2022 Plan, within any 12-month period, shall not in aggregate exceed 2% of the issued and outstanding Shares (calculated as at the date of any grant). For the avoidance of doubt, persons performing investor relations activities are only eligible to receive Options under the 2022 Plan; they are not eligible to receive any Other Equity Award or other type of securities-based compensation under the 2022 Plan.

### **Administration of the 2022 Plan**

The 2022 Plan shall be administered by the Board and the Board has full authority to administer the 2022 Plan, including the authority to interpret and construe any provision of the 2022 Plan and to adopt, amend and rescind such rules and regulations for administering the 2022 Plan as the Board may deem necessary in order to comply with the requirements of the 2022 Plan.

## **Eligible Persons under the 2022 Plan**

When used in connection with the grant of Options, all officers, directors, employees, management company employees and consultants of the Company are eligible to participate in the 2022 Plan. When used in connection with the grant of Other Equity Awards, all officers, directors, employees, management company employees and consultants of the Company that do not perform investor relations activities are eligible to participate in the 2022 Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the 2022 Plan will be determined in the sole and absolute discretion of the Board. Each person who receives a grant under the 2022 Plan is referred to as a “Participant”.

## **Types of Awards**

Awards of Options, RSUs, PSUs and DSUs may be made under the 2022 Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the 2022 Plan, and will generally be evidenced by an award agreement.

## **Options**

An Option entitles a holder thereof to purchase a prescribed number of Shares at an exercise price determined by the Board at the time of the grant of the Option, provided that the exercise price of an Option granted under the 2022 Plan shall not be less than the Discounted Market Price (as defined in the Exchange Policies), provided that if an Option is proposed to be granted by the Company after the Company has just been recalled for trading following a suspension or halt, the Company must wait at least ten trading days since the day on which trading in the Company’s securities resumes before setting the exercise price for and granting the Option. Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed ten (10) years from the date of grant of the Option. The Board may, in its absolute discretion, upon granting Options under the 2022 Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise Options during each respective time period. Subject to the discretion of the Board, the Options granted to a Participant under the 2022 Plan shall vest as determined by the Board on the date of grant of such Options. If the Board does not specify a vesting schedule at the date of grant, then Options granted to persons, other than those conducting investor relations activities, shall vest fully on the date of grant, and in any event in accordance with the policies of the Exchange. Options issued to persons conducting investor relations activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that:

- a) no more than 1/4 of the Options vest no sooner than three months after the date of grant (the “Grant Date”);
- b) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
- c) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
- d) the remainder of the Options vest no sooner than 12 months after the Grant Date.

If the award agreement for the grant of Options so provides, in the event of a change of control (as defined in the 2022 Plan), all Options granted to a Participant that ceases to be an Eligible Person shall become fully vested and shall become exercisable by the Participant in accordance with the terms of such award agreement and the 2022 Plan. No acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance for Options issued to persons conducting investor relations activities.

Other than as may be set forth in the award agreement for the grant of Options, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant’s death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant’s death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant’s estate in accordance with 2022 Plan and may be exercised by the Participant’s estate within one year of the death of the Participant.

Where a Participant’s relationship with the Company is terminated by the Company or a subsidiary for cause, all Options granted to the Participant under the 2022 Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant’s relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all Options granted to the Participant under the 2022 Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force

or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the 2022 Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12 months after the termination date.

Where a Participant becomes afflicted by a disability, all Options granted to the Participant under the 2022 Plan will continue to vest in accordance with the terms of such Options; provided, however, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to disability, had vested pursuant to terms of the applicable award agreement, will accrue to the Participant in accordance with the 2022 Plan and shall be exercisable by such Participant for a period of 90 days following the date the termination date, or such longer period as may be provided for in the award agreement or as may be determined by the Board.

### **Restricted Share Units**

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the 2022 Plan and the applicable award agreement, and which may be paid in cash and/or Shares. The number of RSUs to be credited to each participant shall be determined by the Board in its sole discretion in accordance with the 2022 Plan. All RSUs will vest and become payable by the issuance of Shares at the end of the restriction period if all applicable restrictions have lapsed, as such restrictions may be specified in the award agreement.

RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable award agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time a RSU is granted. The Board shall determine any vesting terms applicable to the grant of RSUs, however, no RSUs may vest before the date that is one (1) year following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the 2022 Plan) and the Participant ceases to be an Eligible Person, all restrictions upon any RSUs held by such Participant shall lapse immediately and all such RSUs shall become fully vested in such Participant in accordance with the 2022 Plan.

Other than as may be set forth in the applicable award agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant's estate in accordance with the 2022 Plan.

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

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all RSUs granted to the Participant under the 2022 Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the 2022 Plan.

Where a Participant becomes afflicted by a disability, all RSUs granted to the Participant under the 2022 Plan will continue to vest in accordance with the terms of such RSUs; provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all RSUs granted to the Participant under the 2022 Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately

terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to disability, had vested pursuant to terms of the applicable award agreement will accrue to the Participant in accordance with the 2022 Plan.

As soon as practicable after each vesting date of a RSU, the Company shall, at the sole discretion of the Board, either: (a) issue to the Participant from treasury the number of Shares equal to the number of RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the 2022 Plan) on the next trading day after the vesting date of the RSUs, net of applicable withholdings.

### **Performance Share Units**

A PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the 2022 Plan and the applicable award agreement, and which may be paid in cash and/or Shares. No PSUs may vest before the date that is one year following the date of the Award.

Subject to the provisions of the 2022 Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of PSUs to eligible persons that do not perform investor relations activities. The number of PSUs to be awarded to any Participant shall be determined by the Board, in its sole discretion, in accordance with the 2022 Plan. Each PSU shall, contingent upon the attainment of the performance criteria within the performance cycle, represent one Share.

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

All PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied in the performance cycle, the determination of which satisfaction shall be made by the Board on the determination date. No PSU may vest before the date that is one year following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the 2022 Plan) and the Participant ceases to be an Eligible Person, all PSUs granted to such Participant shall become fully vested in such Participant (without regard to the attainment of any performance criteria) and shall become payable to the Participant in accordance with the 2022 Plan.

Other than as may be set forth in the applicable award agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all PSUs granted to the Participant under the 2022 Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

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

Where a Participant becomes afflicted by a disability, all PSUs granted to the Participant under the 2022 Plan will continue to vest in accordance with the terms of such PSUs; provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all PSUs granted to the Participant under the 2022 Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately

terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Payment to Participants in respect of vested PSUs shall be made after the determination date for the applicable award and in any case within ninety-five (95) days after the last day of the performance cycle to which such award relates. The Company shall, at the sole discretion of the Board, either: (a) issue to the Participant the number of Shares equal to the number of PSUs that have vested on the Determination Date; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the 2022 Plan) on the next trading day after the determination date of the PSUs that have vested, net of applicable withholdings.

### **Deferred Share Units**

A DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the 2022 Plan and the applicable award agreement, and which may be paid in cash and/or Shares. DSUs may not be granted to any Participant performing investor relation activities.

Subject to the provisions of the 2022 Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of DSUs to directors in lieu of fees (including annual Board retainers, chair fees, meeting attendance fees or any other fees payable to a director) or to other eligible persons as compensation for employment or consulting services. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the 2022 Plan. The number of DSUs shall be specified in the applicable award agreement. Each director may elect to receive any or all of his or her fees in DSUs under this Plan.

The number of DSUs shall be calculated by dividing the amount of Fees selected by a director by the Market Unit Price (as defined in the 2022 Plan) on the grant date (or such other price as required under the Exchange Policies) which shall be the 10th business day following each financial quarter end. Any fractional DSU shall be rounded down and no payment or other adjustment will be made with respect to the fractional DSU.

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

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

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

Upon death of a Participant holding DSUs that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with the 2022 Plan to the Participant upon such Participant ceasing to be an eligible person.

### **General Provisions of the 2022 Plan**

#### **Non-Transferability**

No Option or Other Equity Award and no right under any such Option or Other Equity Award shall be assignable, alienable, saleable, or transferable by a participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Exchange Policies. No Option or Other Equity Award and no right under any such

Option or Other Equity Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

### **Black-out Periods**

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

### **Deductions**

Whenever cash is to be paid in respect of DSUs, RSUs or PSUs, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. The Company is authorized to withhold any payment due under any Award or under the 2022 Plan until the Participant has paid or made arrangements for the payment of the amount of any withholding taxes due in respect of an Award, its exercise, or any payment under such Award or under this Plan. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by, all in accordance with the Exchange Policies by delivering an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

### **Amendments to the 2022 Plan**

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of Shareholders, amend, suspend, terminate or discontinue the 2022 Plan and may amend the terms and conditions of any Options or Other Equity Awards granted hereunder, subject to:

- i. any required disinterested shareholder approval to (A) reduce the exercise price of an Award issued to an insider or (B) extend the term of an Option granted to an insider, in either event in accordance with the policies of the Exchange;
- ii. any required approval of any applicable regulatory authority or the Exchange; and
- iii. any approval of Shareholders as required by the Exchange Policies or applicable law, provided that Shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to (except that the Exchange may require approval of the Shareholders for amendments pursuant to Sections C to G below):
  - A. amendments of a “housekeeping nature”;
  - B. amendments for the purpose of curing any ambiguity, error or omission in the 2022 Plan or to correct or supplement any provision of the 2022 Plan that is inconsistent with any other provision of the 2022 Plan;
  - C. amendments which are necessary to comply with applicable law or the requirements of the Exchange;
  - D. amendments respecting administration and eligibility for participation under the 2022 Plan;
  - E. amendments to the terms and conditions on which Option or Other Equity Awards may be or have been granted pursuant to 2022 Plan including amendments to the vesting provisions and terms of any Options or Other Equity Awards;
  - F. with the exception of Options granted to persons performing investor relations activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Options or Other Equity Awards; and
  - G. changes to the termination provisions of an Option, Other Equity Award or the 2022 Plan which do not entail an extension beyond the original fixed term.

### **Term**

The 2022 Plan shall terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in the 2022 Plan.

#### **Obtaining a copy of the Plan**

A copy of the 2022 Plan is attached to this Information Circular as Schedule “B” and is available for review the registered offices of the Company, at 7046 Brown Street, Delta, BC V4G 1G8 during normal business hours up to and including the date of the Meeting.

## Approval of the Plan

The 2022 Plan is subject to the approval of the Exchange and if the Exchange finds the disclosure in this Information Circular to be inadequate, then the Shareholder approval may not be accepted by the Exchange. On June 2, 2022, the Company received conditional approval to the 2022 Plan from the Exchange.

Accordingly, at the Meeting, Shareholders will be asked to consider and if thought fit, approve an ordinary resolution ratifying and confirming the adoption of the 2022 Plan (the "2022 Plan Resolution"). In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by Shareholders for such resolution. The text of the proposed resolution is set forth below. Unless otherwise directed, the persons named in the enclosed proxy intend to vote IN FAVOUR of this resolution.

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the Company's 2022 Equity Incentive Plan, including approval of a 10% rolling plan for stock options and a fixed plan of 6,500,000 common shares for awards of restricted share units, performance share units and deferred share units, adopted by the board of directors of the Company effective as of June 2, 2022 (the "2022 Plan"), in the form attached as Schedule "B" to the management information circular of the Company dated June 23, 2022, be and is hereby confirmed, ratified and approved, and the Company has the ability to grant awards under the 2022 Plan;
2. the board of directors (the "Board") of the Company is hereby authorized to make such amendments to the 2022 Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the 2022 Plan, the approval of the Shareholders; and
3. any one director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Company, may be necessary or desirable to carry out the terms of the foregoing resolutions.

Management recommends that Shareholders vote for the approval of the 2022 Plan. It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the 2022 Plan Resolution.

Shareholder approval of the Equity Plan is required by the terms of the Equity Plan and the rules of the TSXV.

## ADDITIONAL INFORMATION

Additional information concerning the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.northstarcleantech.com](http://www.northstarcleantech.com).

Financial information relating to the Company is provided in the Company's audited financial statements and the MD&A for the year ended December 31, 2021. Shareholders may download the financial statements and MD&A from SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Company directly to request copies of the financial statements and MD&A by: mail at 7046 Brown Street, Delta, BC V4G 1G8 or e-mail ([diana@greystonecorp.com](mailto:diana@greystonecorp.com)). Additional financial information concerning the Company may be obtained by any Shareholder free of charge through the Company's website at [www.northstarcleantech.com](http://www.northstarcleantech.com) or by contacting Diana Mark at 778-908-2730.

DATED at Vancouver, British Columbia this 23<sup>rd</sup> day of June 2022.

## BY ORDER OF THE BOARD

/s/ "Aidan Mills"

AIDAN MILLS, CEO, President & Director

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**Schedule "A"**  
**to the Information Circular of Northstar Clean Technologies Inc.**

**AUDIT COMMITTEE CHARTER**



**NORTHSTAR CLEAN TECHNOLOGIES INC.**  
(the “Company”)

**AUDIT COMMITTEE CHARTER**

**1. MANDATE**

The audit committee will assist the board of directors of the Company (the “**Board**”) in fulfilling its financial oversight responsibilities. The committee will review and consider, in consultation with the Company’s external auditors, the financial reporting process, the system of internal control over financial reporting and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Company’s business, operations and risks.

**2. COMPOSITION**

The Board will appoint, from among their membership, an audit committee after each annual meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

**2.1 Independence**

A majority of the members of the audit committee must be “independent” (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) (“**NI 52-110**”).

**2.2 Expertise of Committee Members**

A majority of the members of the audit committee must be “financially literate” (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

**3. MEETINGS**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

**4. ROLES AND RESPONSIBILITIES**

The audit committee shall fulfill the following roles and discharge the following responsibilities:

#### **4.1 External Audit**

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board that the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Company's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Company.

#### **4.2 Internal Control**

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### **4.3 Financial Reporting**

The audit committee shall review the financial statements and financial information of the Company prior to their release to the public. In carrying out this duty, the audit committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;

- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

*Annual Financial Statements*

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;

*Interim Financial Statements*

- (f) review and approve the interim financial statements prior to their release to the public;
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public; and

*Release of Financial Information*

- (h) where reasonably possible, review and approve all public disclosure containing financial information, including news releases, prior to release to the public. An audit committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and must periodically assess the adequacy of those procedures.

**4.4 Non-Audit Services**

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

*Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

*De-Minimis Non-Audit Services*

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

- (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
- (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

**4.5 Other Responsibilities**

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

**4.6 Reporting Responsibilities**

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

## **5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

Nothing in this Charter is intended or may be construed as imposing on any member of the audit committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules.

## **6. GUIDANCE – ROLES & RESPONSIBILITIES**

The audit committee should consider undertaking the actions described in the following guidance, which is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

### **6.1 *Internal Control***

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities,
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown, and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

### **6.2 *Financial Reporting***

#### *General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements,
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks,
- (c) understand industry best practices and the Company's adoption of them;

*Annual Financial Statements*

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors;
- (h) ensure that the external auditors communicate all required matters to the committee;

*Interim Financial Statements*

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Company's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Company's financial and operating controls are functioning effectively;
  - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures;

**6.3 Compliance with Laws and Regulations**

- (a) periodically obtain updates from management regarding compliance with this policy and industry “best practices”;
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and

**6.4 Other Responsibilities**

- (a) review, with the Company’s counsel, any legal matters that could have a significant impact on the Company’s financial statements.

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**Schedule "B"**  
**to the Information Circular of Northstar Clean Technologies Inc.**

**2022 EQUITY INCENTIVE PLAN**



NORTHSTAR CLEAN TECHNOLOGIES INC.  
(the “Company”)

EQUITY INCENTIVE PLAN

SECTION 1  
ESTABLISHMENT AND PURPOSE OF THIS PLAN

**1.1 Purpose**

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

SECTION 2  
DEFINITIONS

**2.1 Definitions**

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

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

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

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

and includes:

- (iv) for a Person that is an individual, a corporation of which such individual is the sole shareholder;
- (h) **“Deferred Share Unit”** or **“DSU”** means a right granted to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, all as provided in Section 5.4 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (i) **“Determination Date”** means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (j) **“Director”** means a member of the Company’s Board or the Board of any of its Subsidiaries;
- (k) **“Discounted Market Price”** means the Market Price less the discount set forth below, subject to a minimum price of \$0.10:

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

- (l) **“Disability”** means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (m) **“Effective Date”** has the meaning ascribed thereto in Section 8;
- (n) **“Election Form”** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in DSUs under this Plan;
- (o) **“Eligible Person”**, when used in connection with Options, means Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries but, when used in connection with PSUs, RSUs or DSUs, means only Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries that do not perform Investor Relations Activities;
- (p) **“Employee”** means:
  - (i) an individual who is considered an employee of the Company or any of its Subsidiaries under the *Income Tax Act* (Canada) and for whom income tax,

employment insurance and Canada Pension Plan deductions must be made at source;

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

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

upon specified vesting criteria being satisfied, all as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;

- (hh) **“Person”** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (ii) **“Restriction Period”** means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months;
- (jj) **“Restricted Share Unit”** or **“RSU”** means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (kk) **“Retirement”** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (ll) **“Securities Act”** means the *Securities Act* (British Columbia), as amended, from time to time;
- (mm) **“Security-Based Compensation Arrangement”** shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option plan, including the Option Plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (nn) **“Shares”** means the common shares of the Company;
- (oo) **“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (pp) **“Termination Date”** means, as applicable:
  - (i) in the event of a Participant’s Retirement, voluntary termination, voluntary resignation or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and
  - (ii) in the event of termination of the Participant’s employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (qq) **“Trading Day”** means any day on which the Exchange is open for trading; and
- (rr) **“Vesting Date”** means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

### SECTION 3 ADMINISTRATION

#### 3.1 Board to Administer Plan

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

#### 3.2 Delegation to Committee

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

#### 3.3 Interpretation

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

#### 3.4 No Liability

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

### SECTION 4 SHARES AVAILABLE FOR AWARDS

#### 4.1 Limitations on Shares Available for Issuance

- (a) The aggregate number of Shares issuable under this Plan (and all of the Company's other Security-Based Compensation Arrangements) in respect of Options shall not exceed **10%** of the Company's then total issued and outstanding Shares calculated as at the date of any grant and in accordance with the Policies of the Exchange.
- (b) The aggregate number of Shares issuable under this Plan (and all of the Company's other Security-Based Compensation Arrangements) in respect of Performance-Based Awards shall not exceed **6,500,000**.
- (c) So long as it may be required by the rules and policies of the Exchange:
  - (i) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any Participant under this Plan, within any 12 month period, together with Shares reserved for issuance to such Participant (and to Companies wholly-owned by that

Participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated as at the date of any grant);

- (ii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, within any 12-month period, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
- (iii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, at any point in time, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares; and
- (iv) the maximum aggregate number of Shares issuable to any one Consultant, within any 12-month period, together with Shares issuable to such Consultant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant); and
- (v) the maximum aggregate number of Shares issuable pursuant to grants of Options to all Investor Relation Service Providers performing Investor Relations Activities, within any 12-month period, shall not in aggregate exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant). For the avoidance of doubt, Persons performing Investor Relations Activities are only eligible to receive Options under this Plan; they are not eligible to receive any Performance-Based Award or other type of securities-based compensation under this Plan.

#### **4.2 Accounting for Awards**

For purposes of this Section 4:

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

#### **4.3 Anti-Dilution**

If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may, subject to the prior acceptance of the Exchange in the case of a recapitalization, make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of Options, RSUs,

PSUs or DSUs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

## SECTION 5 AWARDS

### 5.1 Options

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Options to Eligible Persons. Options granted to an Eligible Person shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Option shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- (b) Exercise Price - The exercise price of an Option granted under this Plan shall not be less than the Discounted Market Price, provided that if an Option is proposed to be granted by the Company which has just been recalled for trading following a suspension or halt, the Company must wait at least ten Trading Days since the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option.
- (c) Expiry Date - Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the Grant Date.
- (d) Different Exercise Periods, Prices and Number - The Board may, in its absolute discretion, upon granting Options under this Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise his option during each respective time period.
- (e) Vesting - Subject to the discretion of the Board, the Options granted to a Participant under this Plan shall vest as determined by the Board on the Grant Date of such Options. If the Board does not specify a vesting schedule at the Grant Date, then Options granted to persons other than those conducting Investor Relations Activities shall vest fully on the Grant Date, and in any event in accordance with the policies of the Exchange. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that:
  - (i) no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
  - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
  - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
  - (iv) the remainder of the Options vest no sooner than 12 months after the Grant Date.



- (f) Change of Control - If the Award Agreement so provides, in the event of a Change of Control, all Options granted to a Participant who ceases to be an Eligible Person shall become fully vested in such Participant and shall become exercisable by the Participant in accordance with the terms of the Award Agreement and Section 5.1(l) hereof. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.
- (g) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.1(l) hereof.
- (h) Termination of Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Options granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an Eligible Person, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board provided such period does not exceed 12 months after the Termination Date.
- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Options under this Plan shall cease as of the Termination Date.
- (i) Disability - Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options; *provided, however*, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to

Disability such that the Participant ceases to be an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to Disability, had vested pursuant to terms of the applicable Award Agreement, will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Termination Date, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board.

- (j) Hold Period - In addition to any resale restrictions under applicable legislation or regulation, all Options granted hereunder and all Shares issued on the exercise of such Options will, if applicable under the policies of the Exchange, be subject to a four month TSX Venture Exchange hold period from the date the options are granted, and the stock option agreements and the certificates representing such Shares will bear the following legend:

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

- (k) Notice - Options shall be exercised only in accordance with the terms and conditions of the Award Agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- (l) Payment of Award - Subject to any vesting or other limitations described in each individual Award Agreement, Options may be exercised in whole or in part at any time prior to their lapse or termination, by the Participant, or if Section 5.1(g) applies, by the Participant's estate within one year of the death of the Participant, into such number of Shares equal to the number of Options credited to the Participant's Account that become exercisable on the Vesting Date. The exercise price of all Options must be paid in cash. Shares purchased by a Participant on exercise of an Option shall be paid for in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).

## 5.2 Restricted Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons that do not perform Investor Relations Activities. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The

number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.

- (b) Restrictions - Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (c) Vesting - All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No Restricted Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control - If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5.2(h) hereof.
- (e) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.2(h) hereof.
- (f) Termination of a Participant's Relationship with the Company
  - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(h) hereof.

- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units; *provided, however*, that no Restricted Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(h) hereof.
- (h) Payment of Award - As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company shall, at the sole discretion of the Board, either:
  - (i) issue to the Participant, or if Section 5.2(e) applies, to the Participant's estate, from treasury the number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that have vested and become payable on the Vesting Date; or
  - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Vesting Date of the Restricted Share Units credited to a Participant's Account that have vested and become payable, net of applicable withholdings.

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

### 5.3 Performance Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Eligible Persons that do not perform Investor Relations Activities. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement. No Performance Share Units may vest before the date that is one year following the date of the Award.

- (b) Performance Criteria - The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the Performance Criteria unfair unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.
- (c) Vesting - All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied in the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control - If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5.3(h) hereof.
- (e) Death - Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.
- (f) Termination of a Participant's Relationship with the Company
  - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Performance Share Units granted to the Participant which have not vested will, unless the Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein

whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.

- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however*, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.
- (h) Payment of Award - Payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety-five (95) days after the last day of the Performance Cycle to which such Award relates. The Company shall, at the sole discretion of the Board, either:
  - (i) issue to the Participant or if Section 5.3(e) applies, to the Participant's estate, the number of Shares equal to the number of Performance Share Units credited to the Participant's Account that have vested on the Determination Date; or
  - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Determination Date of the Performance Share Units credited to a Participant's Account that have vested, net of applicable withholdings.

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

## 5.4 Deferred Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors that do not perform Investor Relations Activities in lieu of Fees or to other Eligible Persons that do not perform Investor Relations Activities as compensation for employment or consulting services. Deferred Share Units granted to a Participant in accordance with Section 5.4 hereof shall be credited, as of the Grant Date, to the Participant's Account. The number of Deferred Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. The number of Deferred Share Units shall be specified in the applicable Award Agreement.
- (b) Election - Each Director may elect to receive any or all of his or her Fees in Deferred Share Units under this Plan. Elections by Directors regarding the amount of their Fees that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Director during a calendar year and wishes to receive an amount of his or her Fees for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.
- (c) Calculation of Deferred Share Units Granted in Lieu of Fees - The number of Deferred Share Units to be credited to a Participant's Account where the Participant is a Director who has elected to receive Deferred Share Units in lieu of Fees shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as required under Exchange policies) which shall be the 10th business day following each financial quarter end. If, as a result of the foregoing calculation, a Participant that is a Director shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (d) Vesting - No Deferred Share Units may vest before the date that is one year following the date of the Award.
- (e) Payment of Award - Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole discretion of the Board, either:
- (i) that number of Shares equal to the number of vested Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company (provided that such issuance will not result in the number specified in Section 4.1(b) being exceeded); or
  - (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be an Eligible Person of the

vested Deferred Share Units credited to a Participant's Account, net of applicable withholdings.

- (f) Exception - In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Deferred Share Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (g) Death - Upon death of a Participant holding Deferred Share Units that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5.4(e) hereof to the Participant upon such Participant ceasing to be an Eligible Person.

## 5.5 General Terms Applicable to Awards

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



address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation:

- (i) restrictions under an insider trading policy or pursuant to applicable law;
  - (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; and
  - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.
- (e) Blackout Periods - In the event that the date provided for expiration, redemption or settlement of an Award falls within a Blackout Period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed Material Information, the expiry date, redemption date or settlement date, as applicable, of the Award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the Blackout Period. Notwithstanding the foregoing, there will be no extension of any Award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).
- (f) Share Certificates - All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (g) Conformity to Plan - In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted to become, in all respects, in conformity with this Plan.
- (h) Deductions - Whenever cash is to be paid in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by, all in accordance with the Policies of the Exchange, delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (i) Evergreen Plan - Shares that were the subject of any Award made under this Plan that has been settled in cash, or that has been cancelled, terminated, surrendered,

forfeited or has expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under this Plan.

## 5.6 General Terms Applicable to Performance-Based Awards

- (a) Performance Evaluation; Adjustment of Goals - At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, shall specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be:
- (i) judgments entered or settlements reached in litigation;
  - (ii) the write-down of assets;
  - (iii) the impact of any reorganization or restructuring;
  - (iv) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results;
  - (v) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year;
  - (vi) the impact of any mergers, acquisitions, spin-offs or other divestitures; and
  - (vii) foreign exchange gains and losses.
- (b) Adjustment of Performance-Based Awards - The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

## SECTION 6 AMENDMENT AND TERMINATION

### 6.1 Amendments and Termination of this Plan

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

- (a) any required disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an Insider or (ii) to extend the term of an Option granted to an Insider, in either event in accordance with the policies of the Exchange while the Shares are listed on the Exchange;
- (b) any required approval of any applicable regulatory authority or the Exchange; and
- (c) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, provided that shareholder approval shall not be

required for the following amendments and the Board may make any changes which may include but are not limited to (except that the Exchange may require approval of the shareholders of the Company for amendments pursuant to Sections 6.1(c)(iii) to (vii)):

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

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

## **6.2 Amendments to Awards**

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

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

## **SECTION 7 GENERAL PROVISIONS**

### **7.1 No Rights to Awards**

No Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award. There is no obligation for uniformity of treatment of Eligible Persons or Participants or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be

the same with respect to each Participant. The Company and each Eligible Person qualifying for an Award are and shall be responsible for ensuring and confirming that each recipient of an Award is a bona fide Eligible Person that qualifies to receive the applicable Award.

## **7.2 Withholding**

The Company shall be authorized to withhold any payment due under any Award or under this Plan until the Participant has paid or made arrangements for the payment of the amount of any withholding taxes due in respect of an Award, its exercise, or any payment under such Award or under this Plan.

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

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

## **7.4 No Right to Employment**

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

## **7.5 No Right as Shareholder**

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

## **7.6 Governing Law**

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

## **7.7 Severability**

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

## **7.8 No Trust or Fund Created**

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

**7.9 No Fractional Shares**

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

**7.10 Headings**

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

**7.11 No Representation or Warranty**

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

**7.12 No Representations or Covenant with Respect to Tax Qualification**

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

**7.13 Conflict with Award Agreement**

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

**7.14 Compliance with Laws**

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

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

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

**SECTION 8  
EFFECTIVE DATE OF THIS PLAN**

**8.1 Effective Date**

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

**SECTION 9  
TERM OF THIS PLAN**

**9.1 Term**

This Plan shall terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in Section 6 hereof.