

**SHERPA II HOLDINGS CORP.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**for the Annual General and Special Meeting of Shareholders**

**to be held on November 30, 2023**

**Dated as of October 26, 2023**

## SHERPA II HOLDINGS CORP.

918 – 1030 West Georgia Street  
Vancouver, British Columbia V6E 2Y3  
Tel: (604) 288-8005 Fax: (604) 662-7950

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

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders of **SHERPA II HOLDINGS CORP.** (the “**Company**”) will be held at 918 - 1030 West Georgia Street, Vancouver, British Columbia and by teleconference on **Thursday, November 30, 2023 at 10:00 a.m.** (PST) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended June 30, 2023, together with the auditor’s report thereon;
2. to set the number of directors at three (3) and to elect the directors for the ensuing year;
3. to re-appoint *Dale Matheson Carr-Hilton LaBonte LLP* as the Company’s auditors for the ensuing financial year at a remuneration to be fixed by the directors;
4. to consider and, if thought fit, to pass, an ordinary resolution to approve the Company’s Amended & Restated 10% Rolling Stock Option Plan, as more particularly set out in the accompanying Circular; and
5. to transact such other business as may be properly brought before the Meeting or any adjournment(s) thereof.

***The Company will be hosting the Meeting as a physical and virtual hybrid meeting.***

#### **Attending the Meeting by Telephone Conference**

The Meeting will be held in person and via telephone conference.

To receive the dial-on information, please email Michelle Teshima at [mteshima@sentinelcorp.ca](mailto:mteshima@sentinelcorp.ca) forty-eight (48) hours prior to the Meeting Date.

***In order to streamline the Meeting process, the Company encourages shareholders to vote in advance of the Meeting using the form of proxy or voting instruction form mailed to them with the Meeting materials. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as guests, but guests will not be able to vote or ask questions at the Meeting.***

The specific details of the foregoing matters to be put before the Meeting are set forth in the information circular (the “**Circular**”) which accompanies, and is deemed to form a part of, this notice. The audited consolidated financial statements and related management discussion and analysis (“**MD&A**”) for the Company for the financial year ended June 30, 2023 are available upon request to the Company, or they can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**This notice is accompanied by the Circular, a form of proxy, voting instruction form (if applicable) and a supplemental mailing list return card.**

Shareholders who are unable to attend the Meeting in person are requested to complete, date, and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

The board of directors of the Company (the “**Board**”) has by resolution fixed the close of business on October 26, 2023, as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto,

Ontario, M5J 2Y1, or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, not later than **10:00am (Pacific time), Tuesday, November 28, 2023.**

Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

DATED at Vancouver, British Columbia, this 26<sup>th</sup> day of October, 2023.

**BY ORDER OF THE BOARD**

*“Thomas O’Neill”*

Thomas O’Neill  
Chief Executive Officer

**SHERPA II HOLDINGS CORP.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON NOVEMBER 30, 2023**

This information is given as of October 26, 2023 unless otherwise noted.

**PERSONS MAKING THE SOLICITATION**

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Sherpa II Holdings Corp. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of the shareholders of the Company, to be held on **Thursday, November 30, 2023**, at the time and location and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof.

***The Company will be hosting the Meeting as a physical and virtual hybrid meeting.***

**Attending the Meeting by Telephone Conference**

The Meeting will be held in person and via telephone conference.

To receive the dial-on information, please email Michelle Teshima at [mteshima@sentinelcorp.ca](mailto:mteshima@sentinelcorp.ca) forty-eight (48) hours prior to the Meeting Date.

***In order to streamline the Meeting process, the Company encourages shareholders to vote in advance of the Meeting using the form of proxy or voting instruction form mailed to them with the Meeting materials. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as guests, but guests will not be able to vote or ask questions at the Meeting.***

Except as noted below, the Company has distributed or made available for distribution, copies of the notice of meeting, the Circular and form of proxy or voting instruction form (“**VIF**”) (if applicable) (the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders whose common shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company is sending proxy-related materials directly to NOBOs (as defined below), through the services of its transfer agent and registrar, Computershare Investor Services Inc. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials to OBOs (as defined below). The Company is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered shareholders or Beneficial Shareholders.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for such shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company’s transfer agent and registrar, Computershare

Investor Services Inc., Proxy Department, by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, not later than **10:00am (Pacific time), Tuesday, November 28, 2023**, or delivering it to the chair of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered shareholder or his, her or its attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the shareholder or by such shareholder's attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing at the registered office, 918 – 1030 West Georgia Street, Vancouver, BC, V6E 27W, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof; or with the chair of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

### **EXERCISE OF DISCRETION BY PROXIES**

The persons named in the accompanying form of proxy will vote the common shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. The common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted on, the common shares will be voted accordingly. **In the absence of such direction, where the management nominees are appointed as proxyholder, such common shares will be voted in favour of the passing of the matters set out in the notice of meeting. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Company knows of no such amendments, variations, or other matters to come before the Meeting other than the matters referred to in the notice of meeting. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares, or non-objecting beneficial owners (“**NOBOs**”) whose names has been provided to the Company's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of shareholders who do not hold their common shares in their own name (referred to in this section as “**Beneficial Shareholders**”). If common shares are listed in an account statement provided to a shareholder by an Intermediary, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such common shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common shares held by Intermediaries, or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting common shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a

Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the VIFs or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the VIFs or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or VIF from Broadridge cannot use that proxy to vote common shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their common shares in that capacity.

Should a NOBO wish to attend and vote at the Meeting, the NOBO must insert his or her name (or the name of the person that the NOBO wants to attend and vote on the NOBO’s behalf) in the space provided on the VIF and return it to the Company or its transfer agent. If the Company receives a written request that the NOBO or its nominee be appointed as proxyholder, if management is holding a proxy with respect to common shares beneficially owned by such NOBO, the Company will arrange, without expense to the NOBO, to appoint the NOBO or its nominee as proxyholder in respect of those common shares. Under NI 54-101, unless corporate law does not allow it, if the NOBO or its nominee is appointed as proxyholder by the Company in this manner, the NOBO or its nominee, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. If the Company receives such instructions at least one business day before the deadline for submission of proxies, it is required to deposit the proxy within that deadline, in order to appoint the NOBO or its nominee as proxyholder. **If a NOBO requests that the NOBO or its nominee be appointed as proxyholder, the NOBO or its appointed nominee, as applicable, will need to attend the Meeting in order for the NOBO’s vote to be counted.**

**NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact their Intermediary to arrange to change their vote. NOBOs should carefully follow the instructions of their Intermediaries, including those regarding when and where to complete the VIF’s that are to be returned to their Intermediaries.**

Should an objecting beneficial owner (an “**OBO**”) wish to attend and vote at the Meeting, the OBO should insert his or her name (or the name of the person the OBO wants to attend and vote on the OBO’s behalf) in the space provided for that purpose on the request for voting instructions form and return it to the OBO’s Intermediary or send the Intermediary another written request that the OBO or its nominee be appointed as proxyholder. The Intermediary is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or its nominee as proxyholder in respect of the OBO’s common shares. Under NI 54-101, unless corporate law does not allow it, if the Intermediary makes an appointment in this manner, the OBO or its nominee, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the Intermediary (who is the registered shareholder) in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. An Intermediary who receives such instructions at least one business day before the deadline for submission of proxies is required to deposit the proxy within that deadline, in order to appoint the OBO or its nominee as proxyholder. **If an OBO requests that an Intermediary appoint the OBO or its nominee as proxyholder, the OBO or its appointed nominee, as applicable, will need to attend the Meeting in order for the OBO’s vote to be counted.**

**OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. Only registered shareholders have the right to revoke a proxy. OBOs who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out above.**

Shareholders with questions respecting the voting of shares held through an Intermediary should contact that Intermediary for assistance.

All references to shareholders in this Circular and the accompanying form of proxy and notice of meeting are to shareholders of record unless specifically stated otherwise.

### **NOTE TO NON-OBJECTING BENEFICIAL OWNERS**

The Meeting Materials are being sent by the Company directly to both registered shareholders and NOBOs. If you are a NOBO, and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of common shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at October 26, 2023 there were 18,756,000 common shares issued and outstanding.

The Company has fixed the close of business on October 26, 2023 as the record date (the “**Record Date**”) for the purposes of determining shareholders entitled to receive the notice of meeting and vote at the Meeting. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each common share of which he, she or it is the holder. The Company has no other classes of voting securities.

In accordance with the provisions of the *Business Corporations Act* (British Columbia), the Company will prepare a list of the holders of common shares on the Record Date. Each holder of common shares named on the list will be entitled to vote the common shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and senior officers of the Company, as at Record Date only the following shareholder beneficially owns, directly or indirectly or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company.

Name of Shareholder	Number of Shares	Percentage
Thomas O’Neill	2,822,500	15.05%

The above information was provided by management of the Company and the Company’s registrar and transfer agent as of the Record Date.

### **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the financial year ended June 30, 2023, the independent auditor’s report and related management discussion and analysis will be placed before the Meeting.

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

Under the Company’s Articles, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting. A simple majority of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required in order to pass an ordinary resolution. A majority of two-thirds of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required to pass a special resolution. There are no special resolutions proposed at the Meeting.

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

Other than as disclosed elsewhere in this Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to the election of directors and the Company's stock option plan (the "**Stock Option Plan**").

## STATEMENT OF EXECUTIVE COMPENSATION

For the purposes hereof, a "Named Executive Officer" or "NEO" means (i) each individual who, during any part of the financial year ended June 30, 2023, served as the Company's Chief Executive Officer ("**CEO**") or Chief Financial Officer ("**CFO**"), (ii) the Company's most highly compensated executive officer (other than the CEO and the CFO), as at June 30, 2023 whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (iii) each individual who would have satisfied the criteria in (ii) but for the fact that such individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of such financial year.

For the financial year ended June 30, 2023, the Company had the following Named Executive Officers:

- Thomas O'Neill – CEO since January 18, 2018; and
- Carson Halliday – CFO since December 15, 2020.

### Overview and Objectives of Compensation Program

The Board recognizes that the Company's performance depends on the quality of its directors and executives. To achieve its operating and financial objectives, the Company must attract, motivate, and retain highly skilled directors and executives who are able and capable of managing the Company's operations and carrying out the objectives of the Company. The Board further recognizes that there must be a link between compensation and business strategy and that remuneration at the Company should be comparable with that offered by companies of comparable size operating in the mineral exploration and development industry in order to ensure that the Company can retain its executives and promote a culture aimed at achieving its business objectives.

#### *Compensation of Directors and NEOs*

Compensation of directors of the Company is reviewed annually. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors.

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

As discussed below, the Company provides a Stock Option Plan to motivate NEOs by providing them with the opportunity, through stock options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of options to NEOs. Other than the Stock Option Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

With respect to the grant of stock options, the CEO recommends to the Board the individual equity incentive awards for each executive officer and director. The Board then takes these recommendations into consideration when making final decisions on compensation for those executive officers. The Board does not use formulas for each grant but is restricted by the policies of the TSX Venture Exchange (“TSXV”) and the Stock Option Plan in how many stock options it may grant. Stock options under the Stock Option Plan are awarded based upon the level of responsibility and contribution of the individuals towards the Company’s goals and objectives. See “*Particulars of Matters to be Acted Upon - Approval of Stock Option Plan*” for a detailed description of the Stock Option Plan. Previous grants of stock options to a particular individual will be taken into account when considering future grants of stock options to that particular individual.

### **Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans**

The Company currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officers or directors of the Company.

### **Compensation Governance**

For a discussion on policies and practices by the Board to determine the compensation of the Company’s directors and executive officers, see “*Statement of Executive Compensation – Overview and Objectives of Compensation Program*”.

### **Compensation of Consultants or Advisors**

During the financial year ended June 30, 2023, the Board did not retain an independent compensation consultant or advisor to assist in determining the compensation for the Company’s directors and executive officers.

### **Director and NEO Compensation, Excluding Compensation Securities**

The following table sets forth all annual and long-term compensation for services paid to or earned by each NEO and director for the two most recently completed financial years ended June 30, 2023, and 2022.

**Table of Compensation excluding Compensation Securities**

<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Thomas O’Neill</b> <i>CEO, CFO and Director</i>	2023	nil	nil	nil	nil	nil	nil
	2022	nil	nil	nil	nil	nil	nil
<b>Carson Halliday</b> <i>CFO</i>	2023	18,000	nil	nil	nil	nil	18,000
	2022	9,000	nil	nil	nil	nil	9,000
<b>Galen McNamara</b> <i>Director</i>	2023	nil	nil	nil	nil	nil	nil
	2022	nil	nil	nil	nil	nil	nil
<b>Robert Scott</b> <i>Director</i>	2023	nil	nil	nil	nil	nil	nil
	2022	nil	nil	nil	nil	nil	nil

## External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement, or agreement with the Company to provide executive management services to the Company, directly or indirectly.

## Stock Options and Other Compensation Securities

The only compensation securities available to be issued or granted by the Company to its directors and Named Executive Officers during the financial year ended June 30, 2023 were incentive stock options under the Company's Stock Option Plan.

The following table of compensation securities provides a summary of all compensation securities that each NEO or director held as at June 30, 2023.

### Compensation Securities

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (#) <sup>(1)</sup>	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
<b>Thomas O'Neill</b> <i>CEO and Director</i>	Stock Options	159,525	2018-09-20	0.10	0.10	0.04	2023-09-20
		53,175	2021-01-20	0.10	0.105	0.04	2023-09-20
		175,000	2021-02-23	0.11	0.11	0.04	2024-02-23
		262,300 4.16%	2021-12-08	0.15	0.15	0.04	2026-12-08
<b>Carson Halliday</b> <i>CFO</i>	Stock Options	50,000	2021-02-23	0.11	0.11	0.04	2024-02-23
		25,000	2021-12-08	0.15	0.15	0.04	2026-12-08
		0.48%					
<b>Galen McNamara</b> <i>Director</i>	Stock Options	150,000	2021-02-23	0.11	0.11	0.04	2024-02-23
		150,000 1.92%	2021-12-08	0.15	0.15	0.04	2026-12-08
<b>Robert Scott</b> <i>Director</i>	Stock Options	159,525	2018-09-20	0.10	0.10	0.04	2023-09-20
		53,175	2021-01-20	0.10	0.105	0.04	2023-09-20
		37,300	2021-12-08	0.15	0.15	0.04	2026-12-08
		1.6%					

1. Options vested on date of grant.

During the financial year ended June 30, 2023, no stock options were exercised by any director or NEO.

## Stock Option Plan

The Company has a rolling stock option plan in place, pursuant to which the maximum number of common shares issuable upon exercise of options granted thereunder is 10% of the issued and outstanding common shares of the Company.

The purpose of the Stock Option Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with

the opportunity to acquire an equity interest in the Company through rights granted under the Stock Option Plan.

The Stock Option Plan was last approved by Shareholders at the annual general and special meeting of the Company held on November 29, 2022. The Stock Option Plan has been amended (the “**Amended & Restated Option Plan**”) to be compliant with TSXV Policy 4.4 – *Security Based Compensation, among other things*. For details of the Amended & Restated Option Plan to be approved by shareholders at the Meeting, see “*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan*” below.

The Company has no other form of compensation plan under which equity securities of the Company are authorized for issuance to employees or non-employees in exchange for consideration in the form of goods and services.

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

Other than as provided below, there were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company that were:

- (a) performed by a director or Named Executive Officer, or
- (b) performed by any other party but are services typically provided by a director or a Named Executive Officer, other than the grant of options under the Stock Option Plan, and the reimbursement of expenses any director or NEO may have incurred on behalf of the Company.

#### Carson Halliday – CFO

On January 1, 2022, the Company entered into a consulting agreement with Mr. Carson Halliday, formalising the arrangement whereby Mr. Halliday is retained to provide advice and consulting services and act in the capacity of CFO of the Company (the “**CFO Agreement**”). In consideration for the provision of the services, the Company pays Mr. Halliday a monthly cash fee of \$1,500. Mr. Halliday is also eligible to receive performance bonuses at the discretion of the Board. If the CFO Agreement is terminated for just cause, the CFO shall not be entitled to any payments or benefits, other than amounts due and owing. If the CFO Agreement is terminated for any reason other than for just cause, the Company shall provide notice or payment in lieu of notice equal to the total of fees paid in the three (3) months preceding termination. In the event of termination of the CFO Agreement on a change of control, or for reasons other than just cause, any outstanding options granted to the CFO shall immediately vest.

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

The following table provides information regarding the number of common shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options issued under the Stock Option Plan as at June 30, 2023.

<b>Plan Category</b>	<b>Number of common shares to be issued upon exercise of outstanding options #</b>	<b>Weighted-average exercise price of outstanding options \$</b>	<b>Number of common shares remaining available for future issuance under equity compensation plans <sup>(1)</sup> #</b>
Equity compensation plans approved by security holders	1,350,000	0.12	213,100
Equity compensation plans not approved by security holders	nil	nil	nil
<b>Total</b>	<b>1,350,000</b>	<b>0.12</b>	<b>213,100</b>

1. The aggregate number of common shares that may be reserved for issuance under the Stock Option Plan shall not exceed 10% of the Company's issued and outstanding common shares.

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

At no time during the last completed financial year was any current director, executive officer or employee or any former director, executive officer or employee of the Company, or any proposed nominee for election as a director of the Company (i) indebted to the Company; or (ii) indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, other than routine indebtedness.

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

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

### **AUDIT COMMITTEE INFORMATION**

The Audit Committee is responsible for overseeing the integrity of the Company's financial statements, reviewing financial reports and other financial information, recommending the appointment and reviewing and appraising the audit efforts of the Company's external auditors, overseeing and monitoring the Company's financial reporting processes and internal controls, the Company's processes to manage business and financial risk and its compliance with legal, ethical and regulatory requirements and encouraging improvement of, and adherence to, the Company's policies, procedures and practices.

#### **Audit Committee Charter**

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

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

The Committee is comprised of the following members:

Thomas O'Neill	Not Independent <sup>1</sup>	Financially literate <sup>1</sup>
Galen McNamara	Independent <sup>1</sup>	Financially literate <sup>1</sup>
Robert Scott	Independent <sup>1</sup>	Financially literate <sup>1</sup>

1. As defined by NI 52-110.

#### **Relevant Education and Experience**

All of the members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies. The relevant experience of the current members of the Audit Committee is as follows:

**Thomas O'Neill** – Mr. O'Neill is the President of Thomas O'Neill and Associates Inc., a Vancouver-based insurance and financial planning firm. Mr. O'Neill has more than 35 years of experience in the financial planning field, and provides expert strategic advice to his clients, including mining and forestry companies and their executives. His firm specializes in insurance consulting, wealth management, pension, and group benefits advice. Mr. O'Neill is also a member of Executive Planning Group, a strategic alliance comprised of leading insurance and financial advisors across Canada. Currently the CEO of Sherpa II Holdings Corp., Mr. O'Neill has served on several boards of publicly listed companies in Canada over the last decade.

**Galen McNamara** – Mr. McNamara is an entrepreneur and geologist with extensive discovery and capital markets experience over nearly 15 years. He was the co-winner of the 2018 PDAC Bill Dennis “Prospector of the Year” award for the Arrow uranium deposit and 2016 Mines and Money Exploration Award. He is currently Chief Executive Officer and Director of Summa Silver Corp., CEO and Chairman of Angold Resources Ltd. Chairman of Goldshore Resources Inc. and a Director of Sanu Gold Corp. Mr. McNamara holds MSc and BSc degrees in geology from Laurentian University.

**Robert Scott** - Mr. Scott, CPA, CA, CFA brings more than 20 years of professional experience in accounting, corporate finance, and merchant and commercial banking and has served on the management teams and boards of a number of Canadian publicly traded companies. He is a founder and president of Corex Management Inc., a private company providing accounting, administration, and corporate compliance services to privately held and publicly traded companies for over 15 years. Mr. Scott currently holds senior management and board positions with a number of TSXV issuers. Mr. Scott will devote his time as needed to the Company.

### **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.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “External Auditors”.

### **External Auditor Service Fees**

The aggregate fees billed by the Company’s external auditors in each of the last two financial years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>1</sup></b>	<b>Audit Related Fees<sup>2</sup></b>	<b>Tax Fees<sup>3</sup></b>	<b>All Other Fees<sup>4</sup></b>
2023	\$18,000	nil	\$4,700	nil
2022	\$21,000	nil	\$1,000	nil

1. The aggregate fees billed for audit services.
2. The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the ‘Audit Fees’ column.
3. The aggregate fees billed for tax compliance, tax advice, and tax planning services.
4. The aggregate fees billed for professional services other than those listed in the other three columns.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary, implement such additional practices as it deems appropriate.

### Board of Directors

The Board is currently composed of three directors, Thomas O’Neill, Galen McNamara and Robert Scott. All of the proposed nominees are current directors of the Company.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed nominees of the Company, Robert Scott and Galen McNamara are considered by the Board to be “independent” within the meaning of NI 58-101 and Thomas O’Neill (CEO) is considered to be “non-independent”.

Each member of the Board understands that he or she is entitled, at the cost of the Company, to seek the advice of an independent expert if he or she reasonably considers it warranted under the circumstances. No director found it necessary to do so during the financial year ended June 30, 2023.

### Directorships

The following directors of the Company are presently directors of other reporting issuers as set out below:

Director	Other Reporting Issuer(s)	Exchange
Thomas O’Neill	Trail Blazer Capital Corp.	TSX-V
	Summa Silver Corp.	TSX-V
	Trail Blazer Capital Corp.	TSX-V
Galen McNamara	Angold Resources Ltd.	TSX-V
	Goldshore Resources Inc.	TSX-V
	Summa Silver Corp.	TSX-V
	Sanu Gold Corp.	TSX-V
Robert Scott	First Helium Inc.	TSX-V
	Mongolia Growth Group Ltd.	TSX-V

### Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the board and other relevant corporate and business information. The Board does not provide any continuing education.

## **Ethical Business Conduct**

The Board conducts itself with high business and moral standards and follows all applicable legal and financial requirements.

## **Nomination of Directors**

The Board determines 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. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

## **Compensation**

The Company does not have a compensation committee. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to directors, officers, and consultants of the Company. The Board is also responsible for reviewing recommendations for compensation of the CEO and other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

When determining the compensation of its officers, the Board will consider: (i) recruiting and retaining officers critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

## **Other Board Committees**

The Board has no committees other than the Audit Committee. All Board decisions are made by full board of director meetings or consent resolutions.

## **Assessments**

Being a venture issuer with limited administration resources, the Board works closely with management and, accordingly, is in a position to assess individual director's performance on an ongoing basis.

## **MANAGEMENT CONTRACTS**

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **A. Election of Directors**

The Board presently consists of three directors. The Board has, by resolution, fixed the number of directors for the time being at three, subject to such increases as may be permitted by the articles of the Company. There will therefore be three directors to be elected at the Meeting for the ensuing year.

The directors of the Company are elected annually and hold office until the next annual general and special meeting of the shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below 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 Management will be voted for the nominees listed in this Circular.

**Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular:

<b>Name, Province/State and Country of Residence and Other Positions, if any, held with the Company</b>	<b>Date First Became a Director</b>	<b>Principal Occupations or Employments During the Past Five Years</b>	<b>Number of Shares<sup>1</sup></b>
<b>THOMAS O'NEILL</b> <sup>2</sup> British Columbia, Canada <i>CEO and Director</i>	January 18, 2018	President, Thomas O'Neill and Associates	2,822,500 (direct)
<b>GALEN MCNAMARA</b> <sup>2</sup> British Columbia, Canada <i>Director</i>	December 15, 2020	CEO and Director, Summa Silver Corp.	880,000 (direct) 437,500 (indirect)
<b>ROBERT SCOTT</b> <sup>2</sup> British Columbia, Canada <i>Director</i>	January 18, 2018	President, Corex Management Inc.	1,237,500 (direct)

1. Information as to voting shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
2. Member of Audit Committee.

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

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

No proposed director is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes hereof, the term "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) 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.

No proposed director:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while such person was acting in such capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or

- (b) has, within 10 years before the date of this 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 has a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Except as disclosed herein, no proposed director has been subject to:

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

## **B. Appointment of Auditor**

Management proposes to re-appoint Dale Matheson Carr-Hilton LaBonte LLP (“**DMCL**”), Chartered Professional Accountants, 1140 West Pender Street, Suite 1500, Vancouver, BC, V6E 4G1 as the Company’s auditor for the ensuing year. DMCL has been the auditor of the Company since January 18, 2018.

**The Board therefore recommends that shareholders vote “For” the resolution appointing DMCL as the Company’s auditor for the ensuing year and authorizing the directors to fix the auditor’s remuneration.**

Unless otherwise instructed, the persons named in the enclosed form of Proxy will vote “IN FAVOUR” of the appointment of DMCL as auditor of the Company until the next annual meeting of shareholders of the Company and to authorize the directors to fix the auditor’s remuneration.

## **C. Approval of Stock Option Plan**

The Company’s Stock Option Plan was last approved by Shareholders at the annual general and special meeting of the Company held on November 29, 2022. The Stock Option Plan has been amended (the “**Amended & Restated Option Plan**”) to be compliant with TSXV Policy 4.4 – *Security Based Compensation*, and to effect certain other changes as described herein.

The following summary is qualified in all respects by the provisions of the Amended & Restated Option Plan. The full terms of the Amended & Restated Option Plan are attached as Schedule “B” to this Information Circular.

### ***Material Terms of the Amended & Restated Option Plan***

The purpose of the Amended & Restated Option Plan is to attract, retain, and motivate NEOs, directors, employees and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company’s growth. Under the Amended & Restated Option Plan, the maximum number of Common Shares reserved for issuance, including Options currently outstanding, is equal to ten (10%) percent of the Common Shares outstanding, on a non-diluted basis, at the time of grant and from time to time (the “**10% Maximum**”). The 10% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Common Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

Pursuant to the Amended & Restated Option Plan, the Board has the power and authority to determine the individuals to whom awards will be granted, and the nature, dates, amounts, exercise prices, vesting periods and other relevant terms of such awards, and to construe and interpret the terms of the Amended & Restated Option Plan and outstanding awards. To determine the fair market value of the Shares for purposes of granting an award, the Board uses the closing or last price of the Shares on the TSXV prior to the day on which the Company grants an award.

Pursuant to the Amended & Restated Option Plan, the Board may from time to time authorize the issue of Options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Amended & Restated Option Plan imposes the following limitations on the number of Shares which may be issued in the following instances:

- The maximum number of Shares which may be reserved for issuance to any one Eligible Person (as such term is defined in the Amended & Restated Option Plan) may not exceed 5% of the issued Shares on a yearly basis.
- The maximum number of Shares which may be reserved for issuance to any one Eligible Person who is a consultant is 2% of the issued Shares on a yearly basis.
- The maximum number of Shares which may be reserved for issuance to all Eligible Persons who are engaged in “investor relations activities” (as such term is defined in the policies of the TSXV) is 2% of the issued Shares on a yearly basis.
- The maximum number of Shares which may be reserved for issuance to all Eligible Persons who are insiders is 10% of the issued Shares on a year basis.

Options may be granted to any Eligible Participant exercisable at a price which is not less than the market price of common shares of the Company on the date of the grant, or such other minimum price as may be required or permitted by the TSXV.

Options may be exercised in whole or in part, by giving written notice of exercise to the Company. The directors of the Company may, by resolution, determine the time period during which any option may be exercised (the “**Exercise Period**”), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Common Shares may be listed and in no event shall the Exercise Period exceed 10 years after the date of grant of any Option. All Options will terminate on the earliest to occur of (a) the expiry of their Exercise Period; (b) the date of termination of an optionee’s employment, office or position as director, if terminated for just cause; (c) the earlier of the expiry of their Exercise Period or six (6) months from the date of the Eligible Person’s death (for which the Board can extend to a period of twelve (12) months); (d) ninety (90) days (or such other period of time as permitted by any rule or regulation of such exchange on which the Common Shares may be listed) following the date the Eligible Person ceases to be an Eligible Person for reasons other than (b) and (c) above (for which the Board can extend to a period of twelve (12) months); (e) thirty (30) days following the date the Eligible Person ceases to be an Eligible Person for reasons other than (b) and (c) above in the case of Eligible Persons engaged in investor relations activities; and (f) the date of any sale of the Option.

The Amended & Restated Option Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion, except for Options granted to consultants performing investor relations activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three-month period.

If there is a change in the outstanding Common Shares by reason of any share reorganization, special distribution, corporate reorganization or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities (including, for certainty, the TSXV), appropriate substitution and/or adjustment for the protection of the rights of Eligible Participants in:

- the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to the Amended & Restated Option Plan;
- the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and

- the vesting of any Options (subject to the approval of the TSXV if such vesting is mandatory under the policies of the TSXV), including the accelerated vesting thereof on conditions the Board deems advisable, provided, however, that there may be no acceleration of such vesting conditions applicable to Options granted to any persons providing Investor Relations Activities.

The Board may from time to time, subject to applicable law and to the prior approval, if required, of either the Shareholders, the TSXV or any other regulatory body having authority over the Company or the Amended & Restated Option Plan, suspend, terminate or discontinue the Amended & Restated Option Plan at any time, or amend or revise the terms of the Amended & Restated Option Plan or of any Option granted under the Amended & Restated Option Plan and the stock option agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance will in any manner adversely affect any Option previously granted to a grantee under the Amended & Restated Option Plan without the consent of that grantee.

The Amended & Restated Option Plan permits Cashless Exercise or Net Exercise (as such terms are defined in the policies of the TSXV). Options held by optionees engaged in “investor relations activities” (as such term is defined in the policies of the TSXV) may not be exercised on a Cashless Exercise or Net Exercise basis.

Options are non-assignable and non-transferrable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a NEO, director, employee, consultant, affiliate, or subsidiary of the Company, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Amended & Restated Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Amended & Restated Option Plan.

#### **Shareholder Approval of the Amended and Restated Option Plan**

Shareholders will be asked to pass the following Ordinary Resolution approving the Amended & Restated Option Plan (the “Option Plan Resolution”):

#### ***“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:***

1. *the Company’s Amended & Restated Option Plan, as described in the Information Circular of the Company dated October 26, 2023, be and is hereby ratified and approved; and*
3. *any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”*

**Proxies received in favour of management will be voted in favour of the Option Plan Resolution, unless the shareholder has specified in the Proxy that his or her common shares are to be voted against the Option Plan Resolution.**

#### **OTHER MATTERS**

Management knows of no other matters to come before the Meeting other than those referred to in the notice of meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under “Company Profiles – Sherpa II Holdings Corp.” The Company’s financial statements and MD&A for the financial year ended June 30, 2023 are available for review under the Company’s profile on SEDAR. Shareholders may contact the Company to request copies of the financial

statements and MD&A by mail to Suite 918 - 1030 West Georgia Street, Vancouver, BC, V6E 2Y3; or email to [mteshima@sentinelcorp.ca](mailto:mteshima@sentinelcorp.ca).

## **BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 26<sup>th</sup> day of October, 2023.

**ON BEHALF OF THE BOARD  
OF SHERPA II HOLDINGS CORP.**

*“Thomas O’Neill”*

Chief Executive Officer

## SCHEDULE "A"

### SHERPA II HOLDINGS CORP.

#### AUDIT COMMITTEE CHARTER

##### I PURPOSE

The Audit Committee (the "**Committee**") will consist of a majority of independent directors and is appointed by the Board of Directors (the "**Board**") of Sherpa II Holdings Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

##### II AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have 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 advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

### III COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX Venture Exchange ("TSXV"), the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Each member of the Committee shall be "financially literate" (as defined by applicable securities laws and regulations).
4. The Committee shall meet as often as it deems necessary, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective

as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

#### **IV RESPONSIBILITIES**

##### **A Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.
5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

(b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

## **B Independent Auditors**

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.

2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

3. The Committee shall pre-approve all audit and non-audit services (including, without limitation, the review of any interim financial statements of the Corporation by the Independent Auditors at the discretion of the Committee) not prohibited by law to be provided by the Independent Auditors.

4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.

5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.

6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.

7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.

8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.

9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

## **C Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

*Approved by the Board on October XX, 2023.*

**SCHEDULE "B"**

**SHERPA II HOLDINGS CORP.**

**INCENTIVE STOCK OPTION PLAN**

**ADOPTED BY THE BOARD OF DIRECTORS**

**OCTOBER 26, 2023**

*Approved by the Shareholders*

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**ARTICLE 1**  
**DEFINITIONS AND INTERPRETATION**

**1.1 Defined Terms**

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) "**Affiliate**" has the meaning ascribed thereto by the Exchange;
- (b) "**Board**" means the Board of Directors of the Corporation or, as applicable, a committee consisting of not less than three (3) Directors of the Corporation duly appointed to administer this Plan;
- (c) "**Business Day**" means a day that is not a Saturday, Sunday or a statutory or public holiday and any other day on which the banks are not regularly open for business;
- (d) "**Cashless Exercise**" has the meaning set out in Exchange Policy 4.4 – *Security Based Compensation* whereby the Corporation may have an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to an Option Holder to purchase Common Shares underlying the Options. The brokerage firm then sells a sufficient number of Common Shares to cover the Exercise Price of the Options in order to repay the loan made to the Option Holder. The brokerage firm receives an equivalent number of Common Shares from the exercise of the Options and the Option Holder then receives the balance of Common Shares or the cash proceeds from the balance of such Common Shares;
- (e) "**Cause**" means: (i) "Cause" as such term is defined in the written employment agreement, if any, between the Corporation and Employee; or (ii) if there is no written employment agreement between the Corporation and the Employee or "Cause" is not defined in the written employment agreement between the Corporation and the Employee, the usual meaning of just cause under the common law or the laws of British Columbia;
- (f) "**Common Shares**" means the common shares of the Corporation;
- (g) "**Consultant**" means an individual who:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Corporation or an Affiliate of the Corporation and the individual or the Consultant Company, as the case may be;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention of the affairs and business of the Corporation or an Affiliate of the Corporation; and

- (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the Consultant to be knowledgeable about the business and affairs of the Corporation or an Affiliate of the Corporation.

and includes a Consultant Company of which a Consultant is an employee or shareholder and a partnership of which a Consultant is an employee or partner;

- (h) "**Consultant Company**" means a Consultant that is a company;
- (i) "**Corporation**" means ~~s.~~ and its successor entities;
- (j) "**Director**" means a director of the Corporation or of an Affiliate;
- (k) "**Discounted Market Price**" has the meaning ascribed thereto by Exchange Policy 1.1 – *Interpretation*;
- (l) "**Disinterested Shareholder Approval**" has the meaning ascribed thereto by the Exchange in Exchange Policy 4.4 – *Security Based Compensation*;
- (m) "**Eligible Person**" means a *bona fide* Director, Officer, Employee, or Consultant;
- (n) "**Employee**" means an individual who:
  - (i) is considered an employee of the Corporation or an Affiliate under the *Income Tax Act*, i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
  - (ii) works full-time for the Corporation or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source, or
  - (iii) works for the Corporation or an Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source;
- (o) "**Exchange**" means the TSX Venture Exchange and any successor entity;
- (p) "**Exercise Notice**" means the notice respecting the exercise of an Option, in the form attached to the Option Certificate, duly executed by the Option Holder;
- (q) "**Expiry Date**" means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 6.2 and, if applicable, as amended from time to time;
- (r) "**Insider**" has the meaning ascribed thereto by the Exchange;

- (s) **"Investor Relations Activities"** has the meaning ascribed thereto by the Exchange;
- (t) **"Management Company Employee"** means an individual who is employed by a person providing management services to the Corporation or an Affiliate which are required for the ongoing successful operation of the business enterprise of the Corporation or the Affiliate, but excluding a person providing Investor Relations Activities;
- (u) **"Net Exercise"** has the meaning set out in Exchange Policy 4.4 – *Security Based Compensation* whereby Options are exercised without the Option Holder making any cash payment so that the Corporation does not receive any cash from the exercise of the subject Options, and instead the Option Holder receives only the number of underlying Common Shares that is the equal to the quotient obtained by dividing:
  - (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options; by
  - (ii) the VWAP of the underlying Common Shares;
- (v) **"Officer"** means an officer of the Corporation or of an Affiliate, and includes a Management Company Employee;
- (w) **"Option"** means an option to purchase Common Shares pursuant to this Plan;
- (x) **"Option Agreement"** means an agreement between the Corporation and a Participant which sets forth the terms of an Option grant;
- (y) **"Option Price"** means the per Common Share exercise price specified in the Option Agreement to be paid to acquire Option Shares, adjusted from time to time in accordance with the provisions of Article 5 of the Plan;
- (z) **"Option Shares"** means the aggregate number of Common Shares which a Participant may purchase under an Option;
- (aa) **"Other Share Compensation Arrangement"** means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise;
- (bb) **"Participant"** means an Eligible Person who has been granted an Option;
- (cc) **"Plan"** means this Amended & Restated Stock Option Plan;
- (dd) **"Vest"** means, with respect to an Option, becomes exercisable in respect of the number of Option Shares by the Participant pursuant to the terms of the Option

Agreement and the Plan, and “Vested” and “Vesting” shall have similar meanings; and

- (ee) “VWAP” means the volume weighted average trading price of the Corporation's Common Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Option. Where appropriate, the Exchange may exclude internal crosses and certain other special terms trades from the calculation.

## 1.2 Interpretation

References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

## ARTICLE 2 ESTABLISHMENT OF PLAN

### 2.1 Purpose

The purpose of this Plan is to advance the interests of the Corporation, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Corporation and its Affiliates;
- (b) encouraging Eligible Persons to remain with the Corporation or its Affiliates; and
- (c) attracting new Directors, Officers, Employees and Consultants.

### 2.2 Shares Reserved

- (a) The aggregate number of Common Shares that may be reserved for issuance (i) at any point in time or (ii) in any 12 month period, at the time of grant, is limited to 10% of the issued and outstanding securities of the Corporation. For greater certainty, if an Option is settled in cash, cancelled, surrendered, terminated, forfeited or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
- (b) If there is a change in the outstanding Common Shares by reason of any Share Reorganization, Special Distribution, Corporate Reorganization, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities (including, for certainty, the Exchange), appropriate substitution and/or adjustment in:
  - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;

- (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
- (iii) the Vesting of any Options (subject to the approval of the Exchange if such Vesting is mandatory under the policies of the Exchange), including the accelerated Vesting thereof on conditions the Board deems advisable, provided, however, that there may be no acceleration of such Vesting conditions applicable to Options granted to any persons providing Investor Relations Activities,

and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Participants as it shall deem advisable.

Any substitution or adjustment made pursuant to this Section is subject to the limits set out in Section 3.3 hereto and the Board retains the discretion to make cash payment in lieu of the issuance of additional Options in the event any substitution or adjustment would exceed such limits.

- (c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
- (d) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

### **2.3 Non-Exclusivity**

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

### **2.4 Effective Date**

The Plan is subject to annual approval by the Corporation's shareholders at a shareholder meeting and by the Exchange. If more than 15 months have elapsed since the last shareholder approval of this Plan, Options may not be granted under this Plan until the Corporation obtains such shareholder approval.

## **ARTICLE 3 ADMINISTRATION OF PLAN**

### **3.1 Administration**

- (a) This Plan shall be administered by the Board. Subject to the provisions of this Plan, the Board shall have the authority:
  - (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and

restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited;

- (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 hereof.
- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Participants and all other persons.

### **3.2 Amendment, Suspension and Termination**

The Board may amend, subject to the approval of any regulatory authority whose approval is required (including, for certainty, the Exchange), suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

### **3.3 Compliance with Legislation**

- (a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.
- (b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.

- (c) Common Shares sold, issued and delivered to Participants pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

## **ARTICLE 4 OPTION GRANTS**

### **4.1 Eligibility and Multiple Grants**

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions, subject to the terms of this Plan.

### **4.2 Option Agreement**

Every Option shall be evidenced by an Option Agreement executed by the Corporation and the Participant, which shall, if the Participant is an Employee, Consultant or Management Company Employee, contain a representation and warranty by the Corporation and such Participant that such Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Corporation or an Affiliate. In the event of any discrepancy between this Plan and an Option Agreement, the provisions of this Plan shall govern.

### **4.3 Limitation on Grants and Exercises**

- (a) **To Eligible Persons.** The aggregate number of Common Shares reserved for issuance to any one Eligible Person in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Corporation has obtained Disinterested Shareholder Approval to exceed such limit.
- (b) **To Consultants.** The aggregate number of Common Shares reserved for issuance to any one Consultant in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (c) **To Participants conducting Investor Relations Activities.** The aggregate number of Common Shares reserved for issuance to all Eligible Persons conducting Investor Relations Activities in any 12 month period under this plan and any Other Share Compensation Arrangement shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (d) **To Insiders.** Unless the Corporation has received Disinterested Shareholder Approval to do so, the aggregate number of Common Shares reserved for issuance to Insiders under this Plan and any Other Share compensation Arrangement shall not exceed 10% of the outstanding Common Shares: (i) at any point in time or (ii) in any 12 month period, at the time of grant.

- (e) **Cashless Exercise and Net Exercise.** Options held by a Participant conducting Investor Relations Activities may not be exercised on a Cashless Exercise or Net Exercise basis.

## **ARTICLE 5 ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES**

### **5.1 Common Share Reorganization**

Subject to the prior approval of the Exchange as required, whenever the Corporation issues Common Shares to all or substantially all holders of Common Shares by way of a stock dividend or other distribution, or subdivides all outstanding Common Shares into a greater number of Common Shares, or combines or consolidates all outstanding Common Shares into a lesser number of Common Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option the Option Price will be adjusted to a price per Common Shares which is the product of:

- (a) the Option Price in effect immediately before that effective date or record date; and
- (b) a fraction, the numerator of which is the total number of Common Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Common Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization.

### **5.2 Special Distribution**

Subject to the prior approval of the Exchange as required, whenever the Corporation issues by way of a dividend or otherwise distributes to all or substantially all holders of Common Shares;

- (a) shares of the Corporation, other than the Common Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Common Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution, provided that with respect to Options of U.S. Taxpayers such adjustments will be undertaken in a manner that complies with Code Section 409A.

### **5.3 Corporate Organization**

Whenever there is:

- (a) a reclassification of outstanding Common Shares, a change of Common Shares into other shares or securities, or any other capital reorganization of the Corporation, other than as described in Sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Corporation with or into another corporation resulting in a reclassification of outstanding Common Shares into other shares or securities or a change of Common Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Corporation become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Corporation's shareholders, or the exchange with the Corporation's shareholders, of securities of the Corporation, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Corporation's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Option Holder will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization.

### **5.4 Determination of Option Price**

If any questions arise at any time with respect to the Option Price following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions will be conclusively determined by the Corporation's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Corporation and all Option Holders.

### **5.5 Regulatory Approval**

Any adjustment to the Option Price pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchange and any other governmental authority having jurisdiction.

## **ARTICLE 6 OPTION TERMS**

### **6.1 Exercise Price**

- (a) Subject to a minimum exercise price of \$0.05 per Common Share, the exercise price per Common Share for an Option shall not be less than the Discounted

Market Price, or such other minimum price as may be required or permitted by the Exchange. If Options are granted within ninety days of a distribution by the Corporation by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection (a) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such distribution. Such ninety day period shall begin:

- (i) on the date the final receipt is issued for the final prospectus in respect of such distribution; and
- (ii) in the case of a prospectus that qualifies special warrants, on the closing date of the private placement in respect of such special warrants.

## **6.2 Expiry Date**

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant.

## **6.3 Vesting**

- (a) Subject to subsection (b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall Vest and become exercisable.
- (b) Options granted to Consultants performing Investor Relations Activities shall Vest over a minimum 12 months with no more than one quarter ( $\frac{1}{4}$ ) of such Options Vesting in any 3 month period.

## **6.4 Non-Assignability**

Options may not be assigned or transferred.

## **6.5 Ceasing to be Eligible Person**

- (a) If a Participant who is an Officer, Employee or Consultant is terminated for Cause, each Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for Cause.
- (b) If a Participant dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Participant's death, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after the date of the Participant's death.
- (c) If a Participant ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) herein, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the (i) Expiry Date and (ii) the date which is 90 days after such event (and the date

which is 30 days after such event if the Participant is engaged in providing investor relations activities), always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after such event, and further provided that the Board may, in its discretion, on a case-by-case basis and only with the approval of the Exchange, further extend the date of such termination and the resulting period in which such Option remains exercisable to a date exceeding the date which is after twelve months of such event.

- (d) For greater certainty, if a Participant dies, each Option held by such Participant shall be exercisable by the legal representative of such Participant until such Option terminates and therefore ceases to be exercisable pursuant to the terms of Section 6.5(b).
- (e) If any portion of an Option is not Vested at the time a Participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion further and subject to the approval of the Exchange where the Vesting of the said Participant's options was a requirement of the Exchange's policies, thereafter permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have Vested prior to the time such Option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of this Section. For greater certainty, and without limitation, this provision will apply regardless of whether the Participant ceased to be an Eligible Person voluntarily or involuntarily, was dismissed with or without Cause, and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an Option to Vest.

## **ARTICLE 7 EXERCISE PROCEDURE**

### **7.1 Exercise Procedure**

An Option may be exercised in whole or in part, at any time prior to their lapse or termination and shall be deemed to be validly exercised by the Participant only upon the Participant's delivery to the Corporation at its registered office:

- (a) a written Exercise Notice addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised and the intended use of either the Cashless Exercise or Net Exercise method;
- (b) the originally signed Option Agreement with respect to the Option being exercised;
- (c) a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised. Common Shares may also be purchased by a Participant by way of the Cashless Exercise or Net Exercise method; and

- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Participant's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the laws of any jurisdiction;

and on the Business Day following, the Participant shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Participant.

## **7.2 Withholding**

The Corporation may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Corporation to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options ("**Withholding Obligations**"). The Corporation may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring a Participant, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such Withholding Obligations including, without limitation, requiring the Participant to remit to the Corporation in advance, or reimburse the Corporation for, any such Withholding Obligations or (b) selling on the Participant's behalf, or requiring the Participant to sell, any Common Shares acquired by the Participant under the Plan, or retaining any amount which would otherwise be payable to the Participant in connection with any such sale.

## **ARTICLE 8 AMENDMENT OF OPTIONS**

### **8.1 Consent to Amend**

The Board may amend any Option with the consent of the affected Participant and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Participant is an Insider at the time of the proposed amendment.

### **8.2 Amendment Subject to Approval**

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

## **ARTICLE 9 MISCELLANEOUS**

### **9.1 No Rights as Shareholder**

Nothing in this Plan or any Option shall confer upon a Participant any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until

such Participant shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

## **9.2 No Right to Employment**

Nothing in this Plan or any Option shall confer upon a Participant any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Participant's employment, with or without Cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Participant beyond the time which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

## **9.3 Governing Law**

This Plan, all Option Agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.