

**FOUNTAIN ASSET CORP.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY given that the Annual and Special Meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of the subordinate voting shares and the multiple voting shares of Fountain Asset Corp. (the “**Company**” or “**Fountain Asset**”) will be held on September 4, 2025 at 10:00 a.m. (Toronto time), 82 Richmond Street East, Floor 3, Toronto, Ontario, M5C 1P1 for the following purposes:

1. TO RECEIVE the audited consolidated financial statements of the Company for the years ended December 31, 2024 and 2023 and the auditor’s report thereon;
2. TO ELECT five (5) directors for the ensuing year;
3. TO RE-APPOINT MNP LLP as auditors of the Company and to authorize the directors to fix their remuneration;
4. TO CONSIDER and, if deemed appropriate, to pass, an ordinary resolution terminating the existing stock option plan of the Company and approving the Company’s new Equity Incentive Plan, as more fully described in the management information circular of the Company accompanying this notice of meeting (the “**Circular**”); and
5. TO TRANSACT such other business as may properly come before the Meeting or any adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

A form of proxy accompanies this notice. If you are a registered Shareholder, whether or not you are able to attend the Meeting in person, the accompanying form of proxy should be completed, signed, dated and returned to Endeavor Trust Company, 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, Attention: Proxy Department, not later than 10:00 a.m. (Toronto time) on September 2, 2025 or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

If you are a non-registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with instructions provided to you by your broker or such other intermediary.

BY ORDER OF THE BOARD OF DIRECTORS

Dated July 28, 2025

“*Andrew Parks*” (signed)

Andrew Parks
Chief Executive Officer and Director

**FOUNTAIN ASSET CORP.
INFORMATION CIRCULAR
(as at July 28, 2025, except as indicated)**

SOLICITATION OF PROXIES

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of management of Fountain Asset Corp. (the “**Company**” or “**Fountain Asset**”) for use at the annual and special meeting of the holders of the subordinate voting shares (the “**SVS**”) and the multiple voting shares (the “**MVS**” and, together with the SVS, the “**Shares**” and the holders thereof “**Shareholders**”) of the Company (the “**Meeting**”) to be held on **September 4, 2025 at 10:00 a.m. (Toronto time)**, at 82 Richmond Street East, Floor 3, Toronto, Ontario, M5C 1P1, for the purpose set forth in the enclosed notice of annual and special meeting of Shareholders (the “**Notice of Meeting**”) and at any adjournments thereof.

Proxies will be solicited primarily by mail but may also be solicited personally, by telephone or by facsimile by the directors, officers or employees of the Company at nominal costs. The costs of solicitation will be borne by the Company. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the shares of the Company. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

APPOINTMENT OF PROXY HOLDERS AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy with this Circular are directors of the Company. **Any Shareholder desiring to appoint some other person, who need not be a Shareholder of the Company, to represent them at the Meeting may do so** by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Company’s transfer agent, Endeavor Trust Company, 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, Attention: Proxy Department before **10:00 a.m. on September 2, 2025** or by fax 604-559-8908, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned meeting. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

A shareholder has the right to revoke a proxy by delivering an instrument in writing, executed by the Shareholder or by the Shareholder’s personal representative authorized in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or an adjournment thereof, or in any other manner provided by law.

Shareholders can contact Endeavor for any questions/inquiries at:

Email – proxy@endeavortrust.com

Toll free number – 1-888-787-0888 (North America only)

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders of the Company as a substantial number of Shareholders do not hold shares of the Company in their own name and thus are considered non-registered beneficial Shareholders. Shareholders who do not hold shares of the Company in their own name (“**Beneficial Holders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting. If shares of the Company are listed in an account statement provided to a Shareholder by a broker then, in almost all cases, those shares will not be registered in the Shareholder’s name on the records of the Company. Shares beneficially owned by Beneficial Holders are typically registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRFs, RESPs and similar plans) that the Beneficial Holder deals with in respect of the shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, the Company will have distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy to the Intermediaries or clearing

agencies for onward distribution to Beneficial Holders. If you are a Beneficial Holder, your Intermediary will be the entity legally entitled to vote your shares at the Meeting. Shares of the Company held by an Intermediary can only be voted upon the instructions of the Beneficial Holder. Without specific instructions, Intermediaries are prohibited from voting shares.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Holders in advance of the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its Intermediary is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Holder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Holder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Holder may call a toll-free telephone number or access the Internet to provide instructions regarding the voting of shares held by the Beneficial Holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Holder receiving a voting instruction form cannot use that voting instruction form to vote shares of the Company directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such shares voted.

Beneficial Holders should ensure that instructions respecting the voting of their shares of the Company are communicated in a timely manner and in accordance with the instructions provided by their Intermediary or Broadridge, as applicable. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders in order to ensure that their shares are voted at the Meeting.

Although a Beneficial Holder may not be recognized directly at the Meeting for the purpose of voting shares of the Company registered in the name of their Intermediary, a Beneficial Holder may attend the Meeting as proxyholder for the Intermediary and vote the shares in that capacity. **Beneficial Holders who wish to attend the Meeting and indirectly vote their shares as a proxyholder should enter their own names in the blank space on the form of proxy or voting instruction form provided to them by their Intermediary and/or Broadridge, as applicable, and return the same in accordance with the instructions provided by their Intermediary and/or Broadridge, as applicable, well in advance of the Meeting.**

The purpose of the above noted procedures is to permit Beneficial Holders to direct the voting of the shares of the Company which they beneficially own. Beneficial Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the form of proxy or voting instruction form is to be delivered.

NOTICE TO BENEFICIAL HOLDERS

Beneficial Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners, or "NOBOs". Beneficial Holders who have objected to their Intermediary disclosing the ownership information about themselves to the Company are referred to as objecting beneficial owners, or "OBOs". In accordance with the requirements of NI 54-101, the Company is sending the Notice of Meeting, this Circular, and a form of proxy or voting instruction form, as applicable (collectively, the "**Meeting Materials**") directly to the NOBOs and, indirectly, through Intermediaries to the OBOs. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The Company will pay the fees and costs of Intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

VOTING OF PROXIES

A Shareholder may direct the manner in which his or her Fountain Asset shares are to be voted by marking the form of proxy accordingly. If the instructions in a proxy given to management are certain, the Fountain Asset shares represented by the proxy will be voted on any poll, and where a choice with respect to the resolution has been specified in the proxy, the Fountain Asset shares will be voted on any poll in accordance with the specification so made. Where no choice is so specified or in the absence of certain instructions, the proxy will confer discretionary authority and will be voted:

- (a) FOR the election of the five (5) nominees identified in this Circular as directors of the Company;
- (b) FOR the re-appointment of MNP LLP as independent auditors of the Company; and

- (c) FOR the termination of the existing stock option plan of the Company (the "**Stock Option Plan**") and the adoption of a new equity incentive plan of the Company (the "**Incentive Plan**"), including the reservation for issuance under the Incentive Plan at any time of a maximum of 10% of the issued and outstanding SVS of the Company, in accordance with the policies of the TSX Venture Exchange (the "**Exchange**").

EXERCISE OF DISCRETION BY PROXY HOLDERS

The enclosed form of proxy confers discretionary authority upon the proxy holders named therein with respect to amendments or variations to matters identified in the Notice of Meeting and other matters not so identified which may properly be brought before the Meeting. At the date of this Circular, the management of Fountain Asset knows of no such amendments, variations or other matters to come before the Meeting. **If any other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such matter.**

QUORUM

Two persons present, in person, each being a Shareholder entitled to vote thereat, or a duly appointed proxy for an absent Shareholder so entitled will constitute a quorum at the Meeting or any adjournment or postponement thereof. The Company's list of Shareholders as of the Record Date (as defined below) has been used to deliver to Shareholders the Meeting Materials as well as to determine who is eligible to vote at the Meeting.

RECORD DATE

The Board of Directors of the Company (the "**Board**") has fixed the close of business on July 28, 2025 as the record date (the "**Record Date**") for the purposes of determining the holders of Fountain Asset shares entitled to receive notice of and to vote at the Meeting. In accordance with the provisions of the *Canada Business Corporations Act* (the "**CBCA**"), the Company has prepared a list of the holders of Fountain Asset shares on the Record Date. All Shareholders of record as at the close of business on the Record Date will be entitled to vote at the Meeting.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or senior officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors. Directors and officers of the Company have an interest in the resolution to approve the Incentive Plan, since such persons are eligible to be granted awards under the Incentive Plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of July 28, 2025, the Company had outstanding:

- 87,760 MVS
 - The holders of the MVS are entitled to four votes for each MVS held.
- 64,326,702 SVS
 - The holders of the SVS are entitled to one vote for each SVS held.

In order to be effective, each ordinary resolution to be submitted to Shareholders at the Meeting must be approved by the affirmative vote of at least 50% of the votes cast thereon. Approximately 99.8% of the votes are controlled by the outstanding SVS.

Pursuant to the Company's Articles of Amalgamation, if an offer to purchase MVS must, by reason of applicable securities legislation or the requirements of a stock exchange on which the MVS or the SVS are listed, be made to all holders of MVS located in a particular province of Canada in which the requirement applies, and is not made concurrently with an offer to purchase SVS, each SVS will become convertible, at the option of the holder, into one MVS. The conversion right may be only exercised for the purpose of depositing the resulting MVS in response to the offer and the transfer agents and the registrar of the Company will deposit the resulting MVS on behalf of the Shareholder. If the MVS resulting from the conversion are subsequently withdrawn from the bid by the Shareholder or not taken up by the offeror or if the offer is abandoned and withdrawn by the offeror, the MVS thus converted will be reconverted into SVS. In no other circumstances will the SVS be convertible into MVS.

To the knowledge of the directors and senior officers of the Company, as at July 28, 2025, the only person or company known to Fountain Asset, its directors and officers, to beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to the outstanding MVS is 425674 Ontario Limited who holds directly and indirectly 13,564 MVS (representing approximately 15.5% of the outstanding MVS).

To the knowledge of the directors and senior officers of the Company, as at July 28, 2025, the only person or company known to Fountain Asset, its directors and officers, to beneficially own, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to the outstanding SVS is Andrew Parks who holds directly and indirectly 8,135,500 SVS (representing approximately 12.6% of the outstanding SVS)

PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial years ended December 31, 2024 and 2023, together with the report of the auditors thereon, will be presented to the Shareholders at the Meeting. Receipt at the Meeting of the financial statements of the Company for the financial years ended December 31, 2024 and 2023, and the auditors' report thereon, will not constitute approval or disapproval of any matters referred to therein.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* sets out a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines, as it is recognized that the unique characteristics of each corporation will result in varying degrees of compliance with the Guidelines. Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

The Board facilitates its exercise of independent supervision over management by maintaining a majority of 'independent' directors on the Board. Roger Daher, Michael Galloro, Paul Kelly and Morris Prychidny are independent directors. Andrew Parks is not independent by reason of his position as Chief Executive Officer of the Company.

The Board has adopted corporate governance practices that comply with all applicable securities laws and the rules of the Exchange to the extent applicable. The Board will include independent directors so as to fairly reflect investment of minority Shareholders in the Company.

As part of the overall stewardship responsibility, the Board assumes responsibility for the following matters, amongst others:

- (i) adoption of a strategic planning process;
- (ii) the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- (iii) the succession planning, including appointing, training and monitoring senior management;
- (iv) a communications policy for the Company;
- (v) the integrity of the Company's internal control and management information systems; and
- (vi) the evaluation of the performance of the directors individually and their performance in the various committees.

Directorships

The following current and proposed directors of the Company currently serve on the board of directors of reporting issuers (or the equivalent in a jurisdiction outside of Canada) other than the Company as listed below:

Name	Name of Reporting Issuer	Exchange
Morris Prychidny	Northfield Capital Corporation STLLR Gold Inc. Talisker Resources Ltd.	TSX Venture Exchange Toronto Stock Exchange Toronto Stock Exchange
Roger Daher	Fluent Corp.	Canadian Securities Exchange
Michael Galloro	1169071 BC Ltd. Atmofizer Technologies Inc. AF2 Capital Corp. Simply Better Brands Corp. Stock Trend Capital Inc. Red Light Holland Corp.	Non-listed Canadian Securities Exchange TSX Venture Exchange TSX Venture Exchange Canadian Securities Exchange Canadian Securities Exchange
Andrew Parks	Netramark Holdings Inc. PesoRama Inc.	Canadian Securities Exchange TSX Venture Exchange

Orientation and Continuing Education

The Board encourages directors to participate in continuing education programs. The Board is responsible for providing an orientation and education program for new directors which deals with the following matters and such other matters the Board considers relevant, including: (i) the role of the Board and its committees; (ii) the nature and operation of the business of the Company; and (iii) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Company remains current, at the request of any individual director.

New directors of the Company are provided with comprehensive information about the Company. They also have the opportunity to meet with management of the Company and to obtain insight into the Company's business. All of the members of the Board are familiar with the Company's business and have experience acting as board members or management of other public companies.

Ethical Business Conduct

In order to encourage and promote a culture of ethical business conduct, the Board has adopted a Governance Manual containing a Code of Conduct (the "**Code**") and related policies and procedures. The Code of Conduct outlines ethics policies and rules for employees and senior officers. Senior officers are expected to sign a Compliance Affirmation certifying that they have read and agree to the policies of the Code.

The purpose of the Code is to:

- (i) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (ii) promote avoidance of conflicts of interest;
- (iii) promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the securities regulators and in other public communications made by the Company;
- (iv) promote compliance with applicable governmental laws, rules and regulations;
- (v) promote the prompt internal reporting to an appropriate person of violations of the Code;

- (vi) promote accountability for adherence to the Code;
- (vii) provide guidance to employees, officers and directors of the Company to help them recognize and deal with ethical issues;
- (viii) provide mechanisms to report unethical conduct; and
- (ix) help foster a culture of honesty and accountability for the Company.

The Board is responsible for monitoring compliance with the Code. Any violations of the Code by any employee, officer or director are grounds for disciplinary action including termination of employment, office and directorship.

Nomination of Directors

Directors are recruited by recommendations from current or former directors or by members of its industry. New candidates are screened and interviewed and their qualifications considered. In identifying new candidates for nomination to the Board, matters of importance will include: (a) the specific skill set required on the Board at a given time, taking into account the existing skill sets of the Board; (b) the competencies and skills that the Board considers each existing director to possess and the competencies and skills each new nominee will bring to the boardroom; (c) the academic and employment-related qualifications of the individual; (d) relevant industry experience; and (e) alignment with the philosophies of the Company.

A short list is then prepared and submitted to the Board by the Chief Executive Officer of the Company. Upon approval by the Board, the Chief Executive Officer of the Company nominates the proposed director to the Board.

The Board has determined that the size of the Board is appropriate for the Company at this time and offers the flexibility to respond quickly to corporate opportunities and challenges as they arise from time to time. The Board as currently constituted brings together a mix of skills, backgrounds and attitudes that the Board considers appropriate for the stewardship of the Company.

Compensation

Compensation of management and the Board is determined by the Board with recommendations from the Compensation Committee of the Board. Compensation is determined by reference to the market and the personal contribution of each individual to the Company. For further details concerning the process of determining compensation for directors and officers of the Company, including the Chief Executive Officer, see "Statement of Executive Compensation" in this Circular.

Committees

There are two committees of the Board: the Audit Committee and the Compensation Committee.

The Audit Committee is responsible for reviewing in detail the Company's financial statements and financial reporting and for ensuring that management designs and implements an effective system of internal control. The Charter of the Audit Committee is set out in this Circular as Appendix "A". For further details on the Audit Committee, see "Audit Committee" below.

Assessments

The Board has no formal performance review procedure in place. However, the Board regularly monitors and assesses the effectiveness of the relationship between management and the Board, the effectiveness of Board operations, the operations of the committees of the Board as well as of individual directors in order to recommend improvements to each of the above.

Diversity

The Company believes in diversity and values the benefits that diversity can bring to its Board, its senior management team and within its entire organization. Diversity promotes the inclusion of different perspectives and ideas, mitigates against group-think and ensures that the Company has the opportunity to benefit from all available talent. The Company has not adopted a written policy relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities and members of visible minorities (collectively, "**Designated Groups**") for the Board but may consider adopting a policy in the future. The Company has not adopted such a policy, written or otherwise, because the Board generally has and will continue to consider diversity of race, ethnicity, gender, age, national origin, Aboriginal status, disability, sexual orientation, visible minority status, cultural background,

professional experience and other factors in evaluating candidates for membership to the Board and when making senior management appointments.

The Company does at all times seeks the most qualified persons to serve as members of the Board and on senior management. The Company believes that this approach enables it to make decisions regarding the composition of the Board and senior management team based on what is in the best interests of the Company and its Shareholders. In addition, the Company has not adopted a target for Designated Groups on the Board or in positions of senior management positions because the Company does not believe that any candidate should be chosen nor excluded solely or largely due to self-identification as a member of a Designated Group. In selecting a candidate, the Company considers the skills, expertise and background that would complement the existing senior management team or Board.

As of the date hereof, no members of the Company's senior management team or the Board self-identify as women, Aboriginal persons, persons with disabilities or visible minorities.

Conflicts of Interest

Certain of the directors and officers of Fountain Asset also serve as directors and/or officers of other companies or other managerial positions involved or related to emerging growth companies or investing in emerging growth companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Fountain Asset will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Fountain Asset and its Shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the CBCA and other applicable laws. Activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by the Board. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests must be reported immediately to senior management.

AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees*, ("NI 52-110") requires the Company to disclose annually in its management information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Appendix "A" to this Circular.

Composition

The Company's current audit committee (the "**Audit Committee**") consists of Morris Prychidny (Chairman), Roger Daher, and Michael Galloro. NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment. All members of the Audit Committee are independent.

Financial Literacy

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee of the Company are financially literate as that term is defined in NI 52-110.

Relevant Education and Experience

For a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member, please see "Election of Directors – Director Biographies".

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

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

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to its auditors for services rendered in the last two fiscal years:

	<u>2024</u>	<u>2023</u>
Audit Fees.....	\$100,000	\$126,000
Audit-Related Fees.....	-	-
Tax Fees.....	13,200	15,000
All Other Fees.....	-	-
Total.....	<u>\$113,200</u>	<u>\$141,000</u>

Notes:

- (1) "Audit-Related Fees" include fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.
- (2) "Tax Fees" include fees for tax compliance, tax planning and tax advice.
- (3) "All Other Fees" include fees for products and services provided by auditors, other than the services reported above.

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 5 (*Reporting Obligations*).

SHAREHOLDER COMMUNICATION

Management is available to Shareholders to respond to questions and concerns on a prompt basis. The Board believes that its communications with Shareholders and others interested in the Company are responsive and effective.

Shareholders can request to receive a copy of Fountain Asset's 2024 year-end financial statements and management's discussion and analysis ("**MD&A**"), this Circular or quarterly financial statements free of charge by mailing a request to Fountain Asset Corp., 3 Market Street, Unit 609, Toronto, Ontario, M5E 0A3 or emailing info@fountainassetcorp.com, or by visiting the Company's website, www.fountainassetcorp.com.

MATTERS TO BE ACTED UPON AT THE MEETING

ELECTION OF DIRECTORS

At the Meeting, Shareholders will be asked to elect directors to hold office until the next annual meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director. Management of the Company proposes to nominate each of the following persons for election as a director.

Unless otherwise specifically instructed, the persons named in the enclosed form of proxy intend to vote at the Meeting **FOR** the election of the nominees herein listed as directors.

Name, Municipality of Residence and Position ⁽¹⁾	Principal Occupation, Business or Employment ⁽¹⁾	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾
Morris Prychidny ⁽²⁾⁽³⁾ Toronto, Ontario, Canada Director	Chartered Accountant, CFO of Orion Capital Incorporated	March 18, 2014	650,000 SVS ⁽⁴⁾
Paul Kelly ⁽³⁾ Toronto, Ontario, Canada Director	Independent business consultant and investor	March 18, 2014	4,715,000 SVS
Andrew Parks Toronto, Ontario, Canada President, CEO & Director	CEO of Fountain Asset	October 16, 2017	8,135,500 SVS
Roger Daher ⁽²⁾⁽⁵⁾ Markham, Ontario, Canada Director	Licensed Pharmacist; Owner of 6 Pharmasave (pharmacies)	November 8, 2017	1,919,500 SVS ⁽⁵⁾
Michael Galloro ⁽²⁾⁽³⁾ Toronto, Ontario, Canada Director	Chartered Accountant; Director and Senior officer of private and public companies	July 10, 2018	Nil

Notes:

- (1) The information as to municipality of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective persons individually.
- (2) Member of Audit Committee of which Morris Prychidny is the Chairman.
- (3) Member of Compensation Committee of which Paul Kelly is the Chairman.
- (4) Orion Capital Incorporated controls 500,000 SVS which Morris Prychidny exercises trading authority over.
- (5) RGDRX Holdings Inc., a private holding company controlled by Roger Daher, owns 1,409,000 SVS.

Except as otherwise disclosed below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer, or chief financial officer; or

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

For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

No proposed director of the Company has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Galloro was a director of Simply Inc. ("**Simply**"), when on June 14, 2022, Simply announced that it commenced bankruptcy proceedings (the "**Chapter 7 Case**") by filing a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Code, 11 U.S.C. §101 et seq. (the "**Bankruptcy Code**"). The Chapter 7 Case was filed in the United States Bankruptcy Court for the District of Utah, Case No. 22-22242-KRA (the "**Bankruptcy Filing**"). With the appointment of the Chapter 7 Trustee and concurrent with the Bankruptcy Filing, on June 14, 2022, all directors resigned as members of the board of directors of Simply.

Director Biographies

Roger Daher

Roger Daher has been a licensed pharmacist for 33+ years and he is currently a practicing owner/partner in six Ontario Pharmasave pharmacies. From 2010 to 2020, Mr. Daher, served as a member of the Pharmasave Ontario Board of Directors, as well as a member of the audit committee (audit committee chair). Mr. Daher has also served and continues to serve on several public company boards including CPC's. Mr. Daher obtained his Bachelor of Science, Pharmacy, from the University of Toronto in 1989.

Michael Galloro

Michael Galloro is an accomplished executive with over 28 years of experience. He is a Principal at ALOE Finance, a transaction services boutique firm focused on the small and mid-cap space. ALOE works closely with emerging private and publicly listed companies operating globally assisting with M&A, financings, corporate structuring and go public transactions, both in the Canadian and the US securities markets. Michael earned his Chartered Professional Accountant, Chartered Accountant (CPA, CA) designation while working in the financial institutions practice for KPMG LLP and has his Honours Bachelor of Accounting (BAcc) Degree from Brock University.

Paul Kelly

Mr. Kelly has experience within the North American steel industry. He was the former President and Chief Executive Officer and a director of Slater Steel Inc. from May 1998 to May 2004, which was a multidivisional specialty steel company formerly listed on the Toronto Stock Exchange. Mr. Kelly was President, Chief Operating Officer and a director, from June 2004 to September 2007, of Harris Steel Group Inc., a multidivisional fabricator, manufacturer and steel trading group formerly listed on the Toronto Stock Exchange. He has experience in dealing with public markets as well as an extensive background in M&A and financial structuring. Mr. Kelly obtained a B.A. degree in Economics from the University of Toronto.

Andrew Parks

Mr. Parks is the CEO and a director of the Company. He was most recently a portfolio manager at a Toronto-based asset management firm and has years of experience as a research analyst and trader. Mr. Parks is a CFA and holds an Honours Bachelor of Business Administration from Wilfrid Laurier University.

Morris Prychidny

Mr. Prychidny is a Chartered Accountant with more than 35 years of experience in the mining and real-estate industries. Mr. Prychidny brings strong portfolio management and financing expertise through his roles in a number of publicly-listed investment and mining companies. He is currently the Chief Financial Officer and director of Orion Capital Incorporated, a Toronto-based asset management company with a focus on investing in the junior mining and real estate sectors; a Director and an Audit Committee member of Northfield Capital Corporation (TSXV), a public corporation with investments in the mineral resource sector; and a Director of STLLR Gold Inc. (TSX), a public company in the gold exploration and development sector. Mr. Prychidny holds a Bachelor of Economics from the University of Western Ontario.

RE-APPOINTMENT OF AUDITORS

At the Meeting, Shareholders will be asked to re-appoint MNP LLP as auditors of the Company to hold office until the next annual meeting of Shareholders at remuneration to be fixed by the Board.

The Board recommends that Shareholders vote FOR the re-appointment of MNP LLP as auditors of the Company and to authorize the Board to fix the remuneration of the auditors. Unless the Shareholder directs that his or her shares are to be withheld from voting in connection with the re-appointment of auditors, the persons named in the enclosed form of proxy will vote FOR the re-appointment of MNP LLP as auditors of the Company and to authorize the Board to fix the remuneration of the auditors. A majority of the votes cast by Shareholders at the Meeting is required to approve the re-appointment of auditors and to authorize the directors to fix the remuneration of the auditors.

EQUITY INCENTIVE PLAN APPROVAL

At the Meeting, Shareholders will be invited to consider and, if deemed appropriate, approve the termination of the existing Stock Option Plan and the approval of the Incentive Plan as the equity compensation plan of the Company. See "Securities Authorized for Issuance under Equity Compensation Plans" for more information concerning the existing Stock Option Plan and the terms of the options granted thereunder.

The purpose of the Incentive Plan is to provide long term incentives to eligible directors, officers, employees and consultants of the Company. The Incentive Plan allows for SVS to be reserved for issuance upon the vesting and exercise of stock options, restricted share units ("RSUs"), and/or performance share units ("PSUs") pursuant to the Incentive Plan up to a maximum aggregate amount equal to 10% of the total number of SVS issued and outstanding calculated as at the applicable date of any grant and in accordance with the policies of the Exchange. A copy of the Incentive Plan is attached hereto at Exhibit "I" to Appendix "B".

The Incentive Plan provides that the Board may, at any time and from time to time, in its discretion, and in accordance with the Exchange requirements, grant to consultants, directors, employees, management company employees and members of management of the Company, non-transferable options, RSUs and/or PSUs to acquire SVS without par value in the capital of the Company, provided that the number of SVS reserved for issuance shall not exceed 10% of the issued and outstanding SVS of the Company. In connection with the foregoing, the number of SVS reserved for issuance to any one person shall not exceed 5% of the issued and outstanding SVS within any 12 month period, and the number of SVS reserved for issuance to any eligible consultant will not exceed 2% of the issued and outstanding SVS within any 12 month period. In addition, the aggregate number of SVS reserved for issuance to insiders of the Company shall not exceed 10% of the issued and outstanding SVS within any 12 month period. The aggregate number of options granted to persons employed in investor relations activities shall not exceed 2% of the issued and outstanding in any twelve month period, and such persons are only entitled to receive stock options under the Incentive Plan and not RSUs or PSUs.

The Board at its discretion may determine when any option will become exercisable and may determine that the option be exercisable in installments. The Board may also establish any vesting schedule relative to any options granted under the Incentive Plan, provided that in no event shall options vest over a time period that is shorter than any time period prescribed by the Exchange.

Options may be exercised for a period of up to ten (10) years after such options are granted, provided that: (i) upon the death of an optionee, any vested option held by him at the date of death shall be exercisable for a period of one year after the date of death or until the expiry of such option; (ii) if an optionee is terminated for cause, no option held by such optionee may be exercised following the date of termination; and (iii) if an optionee's employment or contract terminates for reasons other than cause or death, any vested option held by such optionee may be exercised within 90 days following the date of termination or such longer period of up to 12 months as may be approved by the Board.

The Board at its discretion may award RSUs and/or PSUs to eligible participants, which will be credited to the participant's account and entitle them to receive one SVS for each RSU and/or PSU granted upon such vesting criteria or performance criteria, respectively, as is determined by the Board. No RSUs or PSUs may vest before the date that is one year following the grant date of such award. Notwithstanding the foregoing (i) upon the death of a participant, any vested RSU and PSU held by him at the date of death shall accrue to the participant's estate and all other RSUs and PSUs shall be forfeited; (ii) if a participant is terminated for cause, no RSU or PSU held by such participant may vest following the date of termination; and (iii) if a participant's employment or contract terminates for reasons other than cause or death, any vested RSU and PSU held by such participant shall accrue to such participant. All RSUs or PSUs that have vested but have not yet been settled will expire 12 months from the applicable date of termination

Pursuant to Exchange Policy 4.4 – "Security Based Compensation", a listed corporation is required to obtain the approval of its Shareholders for the adoption of the Incentive Plan. Accordingly, the Shareholders of the Company will be asked to approve the resolution attached hereto at Appendix "B" (the "**Equity Incentive Plan Resolution**") at the Meeting.

In the event that the Equity Incentive Plan Resolution is approved at the Meeting, the existing Stock Option Plan will terminate and an aggregate of 4,700,000 existing stock options outstanding thereunder will continue under the Equity Incentive Plan without any amendment to their terms, and the Company will be able to grant a further 1,732,670 stock options, RSUs and/or PSUs thereunder, calculated as 10% of the 64,326,702 SVS currently issued and outstanding as of the date hereof, less the 4,700,000 existing stock options outstanding (subject to adjustment based on any change in the number of issued and outstanding SVS and stock options, RSUs and PSUs from time to time).

Set forth below is a summary of the 4,700,000 issued and outstanding stock options under the Stock Option Plan as of the date hereof:

Holder	Number/Type of Shares Under Option	Date of Grant	Expiry Date	Exercise Price
All executive officers and past executive officers of the Company, as a group	300,000 SVS	June 3, 2021	June 3, 2026	\$0.265
	1,200,000 SVS	December 19, 2022	December 19, 2027	\$0.12
	1,000,000 SVS	December 5, 2024	December 5, 2029	\$0.05
All directors and past directors (who are not also executive officers) of the Company, as a group	550,000 SVS	June 3, 2021	June 3, 2026	\$0.265
	700,000 SVS	December 19, 2022	December 19, 2027	\$0.12
	950,000 SVS	December 5, 2024	December 5, 2029	\$0.05

The Board recommends that Shareholders vote FOR the approval of the Equity Incentive Plan Resolution. Unless the Shareholder directs that his or her shares are to be voted against the approval of the Equity Incentive Plan Resolution, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Equity Incentive Plan Resolution. A majority of votes cast by the Shareholders at the Meeting is required for the approval of the Equity Incentive Plan Resolution.

OTHER MATTERS

Management of the Company knows of no amendment, variation, or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Company will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The executive compensation strategy is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and long term aligned with the interests of the Shareholders.

The Compensation Committee is responsible for establishing, reviewing and making recommendations to the Board concerning the overall compensation policies for the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and other key executives of the Company. For executives other than the CEO, the CEO makes compensation recommendations to the Compensation Committee. The Compensation Committee evaluates the Chief Executive Officer's performance and, based on its evaluation, reviews and makes recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the Chief Executive Officer based on such evaluation. In determining the Chief Executive Officer's compensation, the Compensation Committee considers the terms of his employment contract with the Company and may additionally consider a number of other factors, including the Company's performance, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the Chief Executive Officer in past years and other factors it considers relevant. The Compensation Committee also reviews and makes recommendations to the Board with respect to compensation, benefits and perquisites for all other senior officers of the Company, incentive compensation and equity-based plans, and policies regarding management benefits and perquisites. The Company does not engage an outside consulting firm to provide executive compensation consulting. There is no regulatory oversight of the Company's compensation process for the Company's executive officers. The Company did not use any specific benchmarks for determining the executive officer compensation.

The objectives of the Company's executive compensation strategy are to:

1. Attract and retain talented and effective individuals to assume responsibility for those functions that are critical to the Company's success;
2. Encourage and recognize high levels of performance by linking incentive compensation to the Company's profitability;
3. Link compensation to the achievement of the Company's strategic objectives of growth and the enhancement of shareholder value; and
4. Encourage retention of key executives for leadership succession.

The compensation program as at December 31, 2024 is comprised of the following elements:

- Base salary,
- Option-based awards,
- Non-Equity Incentive Plan, and
- All other compensation.

The elements of compensation for the executive officers of the Company during the financial year ended December 31, 2024 included base salaries, company-wide employee health and welfare benefits (including medical and dental) and non-equity incentive plan bonus. The Company's executive compensation structure is designed to encourage and motivate executives to achieve high levels of performance, both individually and for the Company, particularly over the medium-to-long term. An executive's overall compensation package in any given year will reflect the functions being performed, and his or her overall contribution to the organization, capacity to improve the Company's financial performance, enthusiasm and loyalty, and ability to create (or help to create) value for the benefit of the Shareholders. The Compensation Committee believes that the base salary component provides a measure of certainty and predictability to meet certain living and other financial commitments and, together with the cash bonus component, motivates executives in the short-to-medium term, while stock option grants align their interests with those of the Shareholders and assist in keeping the Company competitive in attracting and retaining high quality executives.

Salary

Amounts paid to an executive officer as base salary, including merit salary increases, are determined by reference to the individual's performance and salaries prevailing in the marketplace for comparable positions. The base salary of each executive officer is reviewed as required. Salary adjustments take into consideration the general level of salaries in the marketplace for comparable positions, the performance of the executive and the Company's performance.

Share Based Awards

At this time, the Company does not have any Share-based Awards compensation program.

Options Based Awards

Stock options granted under the Stock Option Plan are designed to give each optionee an interest in preserving and maximizing Shareholder value in the longer term by linking compensation to the share price of the Company's shares. The Compensation Committee has the sole discretion to determine the key employees to whom it recommends that grants be made and to determine the number of the options forming part of such grant. The Compensation Committee presents these recommendations to the Board for modification or approval.

Non-Equity Incentive Plan

Fountain Asset has established a Non-Equity Incentive Plan that focuses on providing annual incentive to the executive team. At this time there is a short-term incentive plan ("**Annual Incentive Plan**") but there is no long-term incentive plan.

The Annual Incentive Plan is in the form of a management bonus agreement ("**Management Bonus Agreement**"), which serves as an incentive for performance (whereby performance is measured by reference to Fountain Asset's financial performance) of the Company's management. The Management Bonus Agreement states that Fountain Asset's management and key consultants receives a bonus pool of 20% of the amount of net realized gains, interest, dividends, structuring and consulting fee revenue of Fountain Asset that is in excess of a hurdle rate of 8% of the Company's opening net asset value for the year. The bonus pool is calculated and payable on an annual basis.

Pension

At this time, the Company does not include a pension component to its compensation plan.

Other Compensation

All other compensation is reviewed and approved by the Compensation Committee on an individual basis to recognize and reward members of the executive team for going above and beyond their employment contract to increase the value of the Company.

Risks of Compensation Policies and Practices

The Board, with the help of the Compensation Committee, has assessed the Company's compensation plans for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Financial Instrument

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company none of the executive officers or directors has purchased such financial instruments.

Members of the Compensation Committee

The Compensation Committee currently consists of Michael Galloro, Paul Kelly and Morris Prychidny, all of whom are independent.

Paul Kelly has held several senior executive positions. He has experience dealing with Compensation Committees as well as compensation consultants. Roger Daher held a prior position on the Compensation Committee at Sweet Natural Trading Co. Limited. Roger hired the CEO and used a third party evaluator to put in place their employment contract.

The company did not retain any compensation consultant or advisor in the past year.

Executive Compensation for the Year Ended December 31, 2024

The Company has a salary compensation program to ensure it has access to executives with the skills needed to manage the Company's business interests and assets and to ensure the Company has access to the capital it needs. The Company has employment or consulting agreements with each of Andrew Parks and Matthew Davis. Effective August 1, 2024, Andrew Parks, the Chief Executive Officer of the Company, has an annual compensation of \$90,000. Prior to this Mr. Parks' annual compensation was \$175,000 per his initial employment agreement (the "**Initial Employment Agreement**"). Pursuant to a consulting agreement between the Company and Tundra Accounting and Advisory Corp. ("**Tundra**"), a privately held corporation of which Mr. Davis is a director and significant shareholder, Tundra is entitled to receive a monthly fee of \$6,000 (\$72,000 annual compensation) for Chief Financial Officer and Controller services rendered. Prior to September 1, 2024, Mr. Davis provided Chief Financial Officer and Controller services through Lancaster Capital Advisory Corp. ("**Lancaster**"), a privately held corporation of which Mr. Davis is a director and significant shareholder. Lancaster was entitled to receive a monthly fee of \$9,720 for these services.

Andrew Parks' employment agreement has clauses typical of such agreements in respect of termination, including termination for cause. In the event of termination without cause, Fountain Asset will pay to Andrew Parks the greater of (i) eighteen months of base salary and benefits continuation and (ii) the minimum entitlements required by the Ontario *Employment Standards Act, 2000*, in addition to all other sums which may be due to Mr. Parks. As a result of terminating the Initial Employment Agreement of Mr. Parks in August 2024, Mr. Parks was owed a total of \$127,500 for termination pay (the "**Termination Payment**"), which was settled through the issuance of 2,550,000 SVS.

The foregoing Report on Executive Compensation is submitted by the Compensation Committee.

Summary Compensation Table

In this Circular, a Named Executive Officer ("**NEO**") means: (a) the Company's Chief Executive Officer; (b) the Company's Chief Financial Officer; (c) the Company's three other most highly compensated executive officers at the end of the financial year ended December 31, 2024 whose total compensation was, individually, more than \$150,000; and (d) each individual who would be an NEO but for the fact that the individual was neither an executive officer of the Company, nor serving in a similar capacity, at the end of the financial year ended December 31, 2024. Based on the foregoing, Andrew Parks and Matthew Davis were the only NEOs of the Company during the year ended December 31, 2024. The following table sets forth information concerning the total annual compensation for services rendered to the Company for the years ended December 31, 2024, 2023 and 2022 in respect of the NEOs:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) ⁽ⁱ⁾	Non-Equity Incentive Plan Compensation		Pension value (\$)	All Other Compensation (\$) ⁽ⁱⁱ⁾	Total Compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Andrew Parks (CEO)	2024	139,583	Nil	14,160	Nil	Nil	Nil	127,500	281,243
	2023	175,000	Nil	Nil	Nil	Nil	Nil	Nil	175,000
	2022	175,000	Nil	99,960	370,049	Nil	Nil	Nil	645,009
Matthew Davis (CFO)	2024	99,600	Nil	9,440	Nil	Nil	Nil	Nil	109,040
	2023	103,680	Nil	Nil	Nil	Nil	Nil	Nil	103,680
	2022	103,680	Nil	12,495	20,000	Nil	Nil	Nil	136,175

(i) The Company has adopted fair value accounting for options granted under the Stock Option Plan using the Black-Scholes fair value option pricing method, an established methodology. The key assumptions made in the valuation of the awards set out in the above table were as follows: (i) risk-free interest rate: 2.93% to 2.97%; (ii) expected option life: 5 years; (iii) dividend yield: 0%; and (iv) expected volatility: 113% to 120%.

(ii) Included in other compensation is \$127,500 for the Termination Payment made to Mr. Parks.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The table below represents outstanding option-based awards awarded to NEOs as of December 31, 2024.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (net of option exercise price) (i) (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Andrew Parks	400,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	300,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	1,200,000	0.12	Dec. 19, 2027	Nil	Nil	Nil	Nil
	600,000	0.05	Dec. 5, 2029	Nil	300,000	Nil	Nil
Matthew Davis ⁽ⁱⁱ⁾	400,000	0.05	Dec. 5, 2029	Nil	200,000	Nil	Nil

(i) The closing price of the SVS on the Exchange on December 31, 2024 was \$0.045 per SVS.

(ii) Stock options issued to Mr. Davis are held in the name of Tundra Accounting and Advisory Corp., a privately held corporation of which Mr. Davis is a director and significant shareholder.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth all incentive plan awards in which the value vested or was earned during the financial year ended December 31, 2024 for each NEO.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Andrew Parks	22,942	Nil	Nil
Matthew Davis	5,113	Nil	Nil

Narrative Discussion

The Stock Option Plan allows the Company to grant options to purchase up to such number of SVS which together with all the Company's then outstanding options will not exceed 10% of the issued and outstanding SVS of the Company from time to time. The Stock Option Plan is administered by the Compensation Committee of the Board.

The Company has no pension plan benefits, defined contribution plans or deferred compensation plans. The Company has a group health plan, which provides coverage for all staff, and includes medical and dental benefits.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Andrew Parks

The Company has an employment agreement with Andrew Parks for CEO services which contains clauses typical of such agreements in respect of termination, including termination for cause. If Mr. Parks is terminated for cause, Mr. Parks is entitled to an amount equal to the base salary and vacation pay up until the date of his termination (the "Termination Date") and he shall have no entitlement to any further notice of termination, payment in lieu of notice of termination, severance, continuation of benefits or any damages whatsoever. In the event of termination for cause, participation in all bonus plans or other equity or profit participation plans terminates immediately. In the event of termination without cause, the Company will pay to Mr. Parks the greater

of (i) eighteen months of base salary and benefits continuation and (ii) the minimum entitlements required by the Ontario *Employment Standards Act, 2000*, in addition to all other sums, which may be due to the employee. As a condition to any payments or benefits which exceed Mr. Parks' minimum entitlements under the Ontario *Employment Standards Act, 2000*, Mr. Parks is required to deliver a full and final release from all actions or claims, known and unknown, in connection with his employment with the Company or termination thereof in favour of the Company, its affiliates and all of its employees, officers and directors.

The agreement with Mr. Parks contains a standard confidentiality provision, as well as non-competition, non-interference and non-solicitation provisions. The non-competition provision prohibits Mr. Parks from engaging in any similar business to that of the Company in the province of Ontario at any time during his employment or at any time during which he is receiving severance payments. The non-interference provision provides that, during Mr. Parks' employment with the Company and for a period of twelve months thereafter, he shall not interfere with any contractual relationship between the Company and any party that was a licensor, buyer, customer, partner or vendor of the Company or that the Company was actively soliciting during the twelve month period preceding the Termination Date. The non-solicitation provision provides that Mr. Parks will not, at any time during his employment with the Company and for the twelve month period following the Termination Date:

- employ or endeavour to employ any person who is employed by or acting as a consultant to the Company as at the Termination Date or within the twelve month period preceding such date; or
- canvass, solicit or approach any person or entity: (i) who is a customer or business relation of the Company as at the Termination Date or within the twelve month period preceding such date and (ii) with whom Mr. Parks worked or received confidential information about during the course of his employment with the Company; or
- induce or attempt to induce any customer or business relationship of the Company to cease doing business with the Company; or
- disparage the Company or its affiliates or employees.

If Mr. Parks' employment is terminated by the Company without cause, he is entitled to an incremental payment of approximately \$135,000 and may exercise his options for up to 90 days after the Termination Date. In the event of termination by the Company for cause, Mr. Parks is entitled to receive his base salary and vacation pay earned up to the Termination Date and he is not permitted to exercise any outstanding options after the Termination Date. In the event that Mr. Parks terminates the agreement by providing written notice thereof to the Company, the Company may deem any date prior to the date specified by Mr. Parks as the Termination Date, in which case Mr. Parks will not be entitled to any further payments beyond the date specified by the Company, except as required by law, however Mr. Parks is entitled to exercise any outstanding options for a period of 90 days. The agreement does not contain change of control provisions.

The following table sets out estimates of the incremental amounts payable to Mr. Parks upon the identified termination events, assuming each such event took place on December 31, 2024.

Name	Termination Event	Estimated Incremental Payment			
		Severance	Option based awards	Other	Total
Andrew Parks	By Company for just cause	Nil	Nil	Nil	Nil
	By Company without just cause	135,000	Nil	Nil	135,000
	By Andrew Parks	Nil	Nil	Nil	Nil
	By Company following change of control	Nil	Nil	Nil	Nil

Matthew Davis

The Company is party to a consulting agreement with Tundra, a private company of which Mr. Davis is a director and significant shareholder, for Chief Financial Officer and Controller services. Per the terms of the agreement, written notice of termination must be provided not less than 30 calendar days before the effective date of termination. If the consulting agreement is terminated without just cause or for no reason whatsoever by the Company, Fountain Asset shall provide payment of four months' worth of fees to Tundra, which is equivalent to \$24,000.

COMPENSATION OF DIRECTORS

Effective August 1, 2024, the Company decreased the Annual director Compensation to \$7,500. During the year 2024, the following was paid or payable to members of the Board (other than the NEOs). For information regarding Andrew Parks, please refer to “Statement of Executive Compensation – Summary Compensation Table” above.

Name	Fees earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Roger Daher	14,792	Nil	5,310	Nil	Nil	Nil	20,102
Paul Kelly	17,708	Nil	5,900	Nil	Nil	Nil	23,608
Morris Prychidny	17,708	Nil	5,900	Nil	Nil	Nil	23,608
Michael Galloro	14,792	Nil	5,310	Nil	Nil	Nil	20,102

The table below represents outstanding option-based awards to directors as of December 31, 2024.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiry date	Value of unexercised in-the-money options (net of option exercise price) ⁽ⁱ⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	
Roger Daher	125,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	125,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	150,000	0.12	December 19, 2027	Nil	Nil	Nil	Nil
	225,000	0.05	December 5, 2029	Nil	112,500	Nil	Nil
Paul Kelly	150,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	150,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	200,000	0.12	December 19, 2027	Nil	Nil	Nil	Nil
	250,000	0.05	December 5, 2029	Nil	125,000	Nil	Nil
Morris Prychidny	150,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	150,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	200,000	0.12	December 19, 2027	Nil	Nil	Nil	Nil
	250,000	0.05	December 5, 2029	Nil	125,000	Nil	Nil
Michael Galloro	125,000	0.145	July 16, 2025	Nil	Nil	Nil	Nil
	125,000	0.265	June 3, 2026	Nil	Nil	Nil	Nil
	150,000	0.12	December 19, 2027	Nil	Nil	Nil	Nil
	225,000	0.05	December 5, 2029	Nil	112,500	Nil	Nil

Notes:

(i) The closing price of the SVS on the Exchange on December 31, 2024 was \$0.045 per SVS.

The following table sets forth all incentive plan awards in which the value vested or was earned during the financial year ended December 31, 2024.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Roger Daher	4,785	Nil	Nil
Paul Kelly	5,741	Nil	Nil
Morris Prychidny	5,741	Nil	Nil
Michael Galloro	4,785	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as of December 31, 2024, the number of securities issuable upon exercise of outstanding options, the weighted exercise price of such outstanding options and the number of securities remaining available for future issuance under all equity plans previously approved by the Shareholders. The only equity compensation plan of the Company as at December 31, 2024 was the Stock Option Plan, which was established in 2015 and was amended and restated on June 4, 2018.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	4,700,000	\$0.10	1,732,670
Equity compensation plans not approved by security holders	-	-	-
Total	4,700,000	\$0.10	1,732,670

The Stock Option Plan provides that the Board may, at any time and from time to time, in its discretion, and in accordance with the Exchange requirements, grant to consultants, directors, employees, management company employees and members of management of the Company, non-transferable options to purchase SVS without par value in the capital of the Company, provided that the number of SVS reserved for issuance shall not exceed 10% of the issued and outstanding SVS of the Company. In connection with the foregoing, the number of SVS reserved for issuance to any one person shall not exceed 5% of the issued and outstanding SVS (on a non-diluted basis) and the number of SVS reserved for issuance to any eligible consultant will not exceed 2% of the issued and outstanding SVS (on a non-diluted basis) in any twelve month period (including the SVS that are subject to such option). In addition, the aggregate number of SVS reserved for issuance to insiders of the Company shall not exceed 10% of the issued and outstanding SVS (on a non-diluted basis) in any twelve month period (including the SVS that are subject to such option). The aggregate number of options granted to persons employed in investor relations activities shall not exceed 2% of the issued and outstanding SVS (on a non-diluted basis) in any twelve month period (including the SVS that are subject to such option). As at December 31, 2024, ten percent (10%) of the issued and outstanding SVS is 6,432,670 shares.

The Board at its discretion may determine when any option will become exercisable and may determine that the option be exercisable in installments. The Board may also establish any vesting schedule relative to any options granted under the Stock Option Plan, provided that in no event shall options vest over a time period that is shorter than any time period prescribed by the Exchange. Options may be exercised for a period of up to five (5) years after such options are granted, provided that: (i) upon the death of an optionee, any vested option held by him at the date of death shall be exercisable if the option was issued 10 or more days prior to the date of death, for a period of one year after the date of death or until the expiry of such option, whichever is sooner; (ii) if an optionee is terminated for cause, no option held by such optionee may be exercised following the date of

termination; (iii) if an optionee's employment or contract terminates for reasons other than cause or death, any vested option held by such optionee may be exercised within 90 days following the date of termination or until the expiry of such option, whichever is sooner; and (iv) if an optionee who is a consultant is terminated due to breach or expiry of contract (other than for reasons set forth above), no options held by such optionee may be exercised following such breach, expiry or termination.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No former, present or proposed director, officer or employee of the Company or any of its subsidiaries and none of their respective associates is or has been indebted to the Company at any time during the financial year ended December 31, 2024 and as at the date hereof. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out in this Circular, no informed person of the Company, any proposed director of the Company, or no associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year, or in any proposed transaction, which in either such case has materially affected or will materially affect the Company.

MANAGEMENT CONTRACTS

There are no management functions of the Company that are to any substantial degree performed other than by the directors and executive officers of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Shareholders may contact the Company at 3 Market Street, Unit 609, Toronto, Ontario, M5E 0A3, or call 647-344-4429, to request copies of the Company's financial statements and MD&A or access them at www.fountainassetcorp.com. Financial information with respect to the Company is provided in the Company's comparative annual financial statements and MD&A for the years ended December 31, 2024 and 2023.

APPROVAL BY DIRECTORS

This Circular and the mailing of same to Shareholders have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

Dated July 28, 2025

"Andrew Parks" (signed)

Andrew Parks
Chief Executive Officer and Director

**APPENDIX A
AUDIT COMMITTEE CHARTER**

**FOUNTAIN ASSET CORP.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER**

I. PURPOSE

The Audit Committee is a committee of the Board of Directors. The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by:

- reviewing the financial reports and other financial information provided by the Company to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Company's independent auditor and providing an open avenue of communication among the independent auditor, financial and senior management and the Board of Directors;
- serving as an independent and objective party to monitor the Company's financial reporting process and internal controls, the Company's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements;
- encouraging continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter.

II. COMPOSITION AND MEETINGS

The Audit Committee shall be comprised of three or more directors as determined by the Board, the majority of whom shall be independent directors, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have accounting or related financial management expertise. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet within sixty (60) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related Management Discussion & Analysis and shall meet within 120 days following the end of the fiscal year end to review and discuss the audited financial results for the year and related Management Discussion & Analysis.

The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their audit related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and independent auditors of the Company.

As part of its job to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe

should be discussed privately. In addition, the Committee or at least its Chair should meet with the independent auditor and management at least annually to review the Company's financial statements.

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee or such greater number as the Audit Committee shall by resolution determine.

Meetings of the Audit Committee shall be held from time to time and at such place as the Audit Committee or the Chairman of the Committee shall determine upon 48 hours notice to each of members. The notice period may be waived by a quorum of the Committee. Each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chairman of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

1. Create an agenda for the ensuing year.
2. Review and update this Charter at least annually, as conditions dictate.
3. Describe briefly in the Company's annual report and more fully in the Company's Management Information Circular the Committee's composition and responsibilities and how they were discharged.
4. Submit the minutes of all meetings of the Audit Committee to the Board of Directors.

Documents/Reports Review

5. Review the organization's annual financial statements and any reports or other financial information submitted to any governmental or regulatory body, or the public, including any certification, report, opinion, or review rendered by the independent auditor.
6. Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the independent auditor, based on terms of reference agreed upon by the independent auditor and the Audit Committee.
7. Review with financial management and the independent auditor any filings with regulatory bodies such as securities commissions prior to filing or prior to the release of earnings. The Chair of the Committee may represent the entire Committee for purposes of this review.

Independent Auditor

8. Recommend to the Board of Directors the selection of the independent auditor, considering independence and effectiveness and approve the fees and other compensation to be paid to the independent auditor. Instruct the independent auditor that the Board of Directors, as the shareholders' representative is the independent auditor's client.
9. Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor.
10. Review and discuss, on an annual basis, with the independent auditor all significant relationships they have with the Company to determine their independence.
11. Review and approve requests for any management consulting engagement to be performed by the independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees.

12. Review the performance of the independent auditor and approve any proposed discharge of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.
13. Periodically consult with the independent auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
14. Arrange for the independent auditor to be available to the Audit Committee and the full Board of Directors as needed.

Financial Reporting Processes

15. In consultation with the independent auditor review the integrity of the organization's financial reporting processes, both internal and external.
16. Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.
17. Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

18. Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
19. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
20. Following completion of the annual audit and quarterly reviews, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit and reviews.
21. Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
22. Where there are significant unsettled issues the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
23. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
24. Review activities, organizational structure, and qualifications of the chief financial officer and the staff in the financial reporting area and see to it that matters related to succession planning within the company are raised for consideration at the full Board of Directors.

Ethical and Legal Compliance

25. Review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code. Review through appropriate actions taken to ensure compliance with the Code of Ethical Conduct and to review the results of confirmations and violations of such Code.
26. Review management's monitoring of the Company's system in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.
27. Review, with the organization's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the organization's financial statements.

Risk Management

28. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage.

General

29. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The committee shall be empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any investigation.
30. Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

Notwithstanding the foregoing and subject to applicable law, the Committee shall not be responsible to plan or conduct internal or external audits or to determine that the Company's financial statements are in accordance with generally accepted accounting principles as these are the responsibility of management and the independent auditor. Nothing contained in this Charter is intended to require the Committee to ensure the Company's compliance with applicable laws or regulations.

APPENDIX B
EQUITY INCENTIVE PLAN RESOLUTIONS

BE IT RESOLVED THAT:

1. all existing stock option plans of the Company are hereby terminated and the equity incentive plan (the "Incentive Plan"), attached at Appendix B in the Management Information Circular of the Company dated July 28, 2025, is hereby approved and confirmed, including the reservation for issuance thereunder at any time of a maximum of 10% of the then issued and outstanding subordinate voting shares of the Company, in accordance with the policies of the TSX Venture Exchange; and
2. any director or officer of the Company be authorized and directed to make all such filings, perform all such acts and deeds and things and execute, under seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to this resolution.

EXHIBIT I TO APPENDIX B
EQUITY INCENTIVE PLAN

FOUNTAIN ASSET CORP.

(the “Company”)

EQUITY INCENTIVE PLAN

SECTION 1 ESTABLISHMENT AND PURPOSE OF THIS PLAN

1.1 Purpose

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

SECTION 2 DEFINITIONS

2.1 Definitions

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

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

- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary of the Company, other than services provided in relation to a distribution (as defined in the Securities Act);
- (ii) provides the services under a written contract between the Company or any of its Subsidiaries and the Person, as the case may be; and
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or any of its Subsidiaries;

and includes:

- (iv) for a Person that is an individual, a corporation of which such individual is the sole shareholder;
- (h) “**Determination Date**” means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (i) “**Director**” means a member of the Company’s Board or the Board of any of its Subsidiaries;
- (j) “**Discounted Market Price**” means the Market Price less the discount set forth below, subject to a minimum price of \$0.10:

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

- (k) “**Disability**” means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (l) “**Effective Date**” has the meaning ascribed thereto in Section 8;
- (m) “**Eligible Person**”, when used in connection with Options, means Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries but, when used in connection with PSUs or RSUs, means only Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries that do not perform Investor Relations Activities;
- (n) “**Employee**” means:
 - (i) an individual who is considered an employee of the Company or any of its Subsidiaries under the *Income Tax Act (Canada)* and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Company or any of its Subsidiaries providing services normally provided by an employee and who is subject to

the same control and direction by the Company or any of its Subsidiaries over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source; or

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

- (iv) activities or communications that may be otherwise specified by the Exchange;
- (t) “**Investor Relations Service Provider**” includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (u) “**Management Company Employee**” means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the Company’s business enterprise;
- (v) “**Market Price**” means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Shares before the issuance of the required news release disclosing the grant of Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Shares before the Grant Date);
- (w) “**Market Unit Price**” means the value of a Share determined by reference to the five-day volume-weighted average closing price of a Share for the five Trading Day period immediately preceding the relevant date;
- (x) “**Officer**” means an officer (as defined in the Securities Act or, where the Securities Act does not apply, by other applicable securities laws) of the Company or any of its Subsidiaries;
- (y) “**Options**” means incentive share purchase options entitling the holder thereof to purchase Shares at a specified price for a specified period of time;
- (z) “**Participant**” means any Eligible Person to whom Awards under this Plan are granted;
- (aa) “**Participant’s Account**” means a notional account maintained for each Participant’s participation in this Plan which will show any RSUs and/or PSUs credited to a Participant from time to time;
- (bb) “**Performance-Based Award**” means, collectively or as applicable, Performance Share Units and Restricted Share Units;
- (cc) “**Performance Criteria**” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of Performance Share Units;
- (dd) “**Performance Cycle**” means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (ee) “**Performance Share Unit**” or “**PSU**” means a right awarded to a Participant, as compensation for employment, management or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which shall be paid in Shares;

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

SECTION 3 ADMINISTRATION

3.1 Board to Administer Plan

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

3.2 Delegation to Committee

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

3.3 Interpretation

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

3.4 No Liability

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

SECTION 4 SHARES AVAILABLE FOR AWARDS

4.1 Limitations on Shares Available for Issuance

- (a) The aggregate number of Shares issuable under this Plan (and all of the Company's other Security-Based Compensation Arrangements) shall not exceed 10% of the Company's then total issued and outstanding Shares calculated as at the date of any grant and in accordance with the policies of the Exchange.
- (b) So long as it may be required by the rules and policies of the Exchange:
 - (i) unless the Company has obtained disinterested shareholder approval of this Plan, the maximum aggregate number of Shares issuable to any Participant under this Plan, within any 12 month period, together with Shares reserved for issuance to such Participant (and to companies wholly-owned by that Participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated as at the date of any grant);

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

4.2 Accounting for Awards

For purposes of this Section 4:

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

4.3 Anti-Dilution

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

SECTION 5 AWARDS

5.1 Options

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

become fully vested in such Participant and shall become exercisable by the Participant in accordance with the terms of the Award Agreement and Section 5.1(l) hereof. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.

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

or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to Disability, had vested pursuant to terms of the applicable Award Agreement, will become exercisable by the Participant in accordance with Section 5.1(l) hereof for a period of 90 days following the date the Termination Date, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board, provided however, that such period does not exceed 12 months from the Termination Date.

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

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

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

5.2 Restricted Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons that do not perform Investor Relations Activities. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any applicable restrictions, entitle the holder thereof to acquire one (1) Share upon vesting. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (b) Restrictions - Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such

terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.

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

Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(h) hereof.

- (h) Expiry of Award - All Restricted Share Units that have vested but have not yet been settled will expire 12 months from the applicable Termination Date.
- (i) Payment of Award - As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company shall issue to the Participant, or if Section 5.2(e) applies, to the Participant's estate, from treasury the number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that have vested and become payable on the Vesting Date.

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

5.3 Performance Share Units

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

- (c) Vesting - All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied in the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5.3(h) hereof.
- (e) Death - Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.
- (f) Termination of a Participant's Relationship with the Company
 - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
 - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, the failure of a Director to be re-elected, voluntary resignation or due to Retirement by the Participant, all Performance Share Units granted to the Participant which have not vested will, unless the Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.
 - (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.

- (g) Disability - Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however*, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.
- (h) Expiry of Award - All Performance Share Units that have vested but have not yet been settled will expire 12 months from the applicable Termination Date.
- (i) Payment of Award - Payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety-five (95) days after the last day of the Performance Cycle to which such Award relates. The Company shall issue to the Participant or if Section 5.3(e) applies, to the Participant's estate, the number of Shares equal to the number of Performance Share Units credited to the Participant's Account that have vested on the Determination Date.

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

5.4 General Terms Applicable to Awards

- (a) Forfeiture Events - The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of a relationship for cause, violation of material Company policies, fraud, breach of non-competition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (b) Awards May be Granted Separately or Together - Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (c) Non-Transferability of Awards - No Award and no right under any such Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by

will or by the laws of descent and distribution and only then if permitted by the policies of the Exchange. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

- (d) Conditions and Restrictions Upon Securities Subject to Awards - The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation:
- (i) restrictions under an insider trading policy or pursuant to applicable law;
 - (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; and
 - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.
- (e) Blackout Periods – In the event that the date provided for expiration, redemption or settlement of an Award falls within a Blackout Period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed material information, the expiry date, redemption date or settlement date, as applicable, of the Award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the Blackout Period. Notwithstanding the foregoing, there will be no extension of any Award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).
- (f) Share Certificates - All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (g) Conformity to Plan - In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted to become, in all respects, in conformity with this Plan.
- (h) Deductions - Whenever Shares are to be delivered in respect of Options, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by, all in accordance with the

policies of the Exchange, delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

- (i) Evergreen Plan - Shares that were the subject of any Award made under this Plan that has been settled in cash, or that has been cancelled, terminated, surrendered, forfeited or has expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under this Plan.

5.5 General Terms Applicable to Performance-Based Awards

- (a) Adjustment of Performance-Based Awards - The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

SECTION 6 AMENDMENT AND TERMINATION

6.1 Amendments and Termination of this Plan

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

- (a) any required disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an Insider or (ii) to extend the term of an Option granted to an Insider, in either event in accordance with the policies of the Exchange while the Shares are listed on the Exchange;
- (b) any required approval of any applicable regulatory authority or the Exchange; and
- (c) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to (except that the Exchange may require approval of the shareholders of the Company for amendments pursuant to Sections 6.1(c)(iii) to (vii)):
 - (i) amendments of a “housekeeping nature”;
 - (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
 - (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
 - (iv) amendments respecting administration and eligibility for participation under this Plan;

- (v) amendments to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including amendments to the vesting provisions and terms of any Awards;
- (vi) with the exception of Options granted to Persons performing Investor Relations Activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
- (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

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

6.2 Amendments to Awards

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

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

SECTION 7 GENERAL PROVISIONS

7.1 No Rights to Awards

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

7.2 No Limit on Other Security-Based Compensation Arrangements

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

7.3 No Right to Employment

The grant of an Award shall neither constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary, or to any other relationship with the Company or any Subsidiary. Further, the Company may

at any time dismiss a Participant, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in an applicable Award Agreement.

7.4 No Right as Shareholder

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

7.5 Governing Law

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

7.6 Severability

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

7.7 No Trust or Fund Created

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

7.8 No Fractional Shares

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

7.9 Headings

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

7.10 No Representation or Warranty

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

7.11 No Representations or Covenant with Respect to Tax Qualification

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

7.12 Conflict with Award Agreement

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

7.13 Compliance with Laws

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

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

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

SECTION 8 EFFECTIVE DATE OF THIS PLAN

8.1 Effective Date

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

SECTION 9 TERM OF THIS PLAN

9.1 Term

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