

MARGARET LAKE DIAMONDS INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

Notice is hereby given that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders of Margaret Lake Diamonds Inc. (the “**Company**”) will be held on Thursday, April 6, 2023, at Suite 501, 3292 Production Way, Burnaby, B.C., V5A 4R4 at 10:00 a.m. (local time in Vancouver, B.C.) for the following purposes:

1. to receive the audited annual financial statements of the Company for its financial years ended May 31, 2021, and May 31, 2022, together with the auditor’s reports thereon;
2. to set the number of directors of the Company at three (3);
3. to elect the directors of the Company for the ensuing year;
4. to re-appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants as auditors of the Company and to authorize the directors of the Company to fix their remuneration;
5. to re-approve the Company’s 10% rolling stock option plan, as more particularly described in the accompanying information circular;
6. to consider, and if thought fit, to pass an ordinary resolution to ratify and approve the Company’ 2022 Restricted Share Unit Plan, as more particularly described in the accompanying information circular;
7. to consider and, if thought appropriate, pass with or without variation, a resolution of a majority of the minority of shareholders authorizing the Company to delist the common shares from trading on the TSX Venture Exchange, as more particularly described in the accompanying information circular;
8. to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution consolidating the outstanding common shares of the Company on the basis of one post-consolidation common share for up to 10 pre-consolidation common shares, as more particularly described in the accompanying information circular; and
9. to transact such other business that may properly come before the Meeting, and any adjournment thereof.

The Company’s board of directors (the “**Board**”) has fixed February 21, 2023 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to receive such notice and to vote at the Meeting in the circumstances set out in the accompanying Circular.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, Endeavor Trust Corporation, 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, no later than 10:00 a.m. on April 4, 2023 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

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

DATED at Vancouver, British Columbia, this 6th day of March, 2023.

BY ORDER OF THE BOARD

(signed) Yari Nieken

Yari Nieken, CEO and Director

THE MEETING IN PERSON TO VOTE. Further restrictions with regard to the Meeting may be implemented by the Company as required in accordance with applicable laws and to comply with public health restrictions. At the Meeting, the Company may adopt screening or other measures for identifying COVID-19 symptoms or risk factors as may be recommended or required by applicable health authorities. These measures may include requiring registered shareholders or duly appointed proxy holders still wishing to attend the Meeting in person to sign a confirmation letter at the Meeting that they are not a confirmed case of COVID-19 or a close contact of a confirmed case of COVID-19, they are not experiencing cold or flu-like systems, including fever, cough, difficulty breathing, muscle aches, fatigue, headache, sore throat or runny nose, and that they have not travelled outside of Canada for a period of two weeks preceding the Meeting date. The Company reserves the right to refuse admission to a shareholder or proxyholder seeking to attend the Meeting if the Company believes the shareholder or proxyholder poses a health risk to attendees at the Meeting or that admission to the Meeting would otherwise breach public health restrictions. **THE COMPANY WILL LIMIT ATTENDEES AS REQUIRED BY THE MASS GATHERING RESTRICTIONS IMPLEMENTED BY THE GOVERNMENT OF BC AT THE TIME OF THE MEETING.** In addition, any attendees will be required to practice social distancing at the Meeting and wear face masks.

As the COVID-19 outbreak continues to be a rapidly evolving situation, and in light of changing public health restrictions and recommendations related to COVID-19, there may be changes to the date, time and location of the Meeting, or the Company may adjourn or postpone the Meeting. The Company will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting. Any such changes will be communicated by news release which will be made available under the Company's profile on SEDAR at www.sedar.com.

WE STRONGLY ENCOURAGE ALL SHAREHOLDERS TO VOTE BY PROXY RATHER THAN ATTENDING THE MEETING IN PERSON.

All proxies, to be valid, must be received by Endeavor Trust Corporation at their offices located at 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, by mail, or by fax at 604-559-8908, or by email at eproxy.ca, no later than 10:00 am on Tuesday, April 4, 2023 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

INFORMATION CIRCULAR

MARGARET LAKE DIAMONDS INC.

Suite 1008, 550 Burrard Street
Vancouver, BC V6C 2B5

(all information as at March 6, 2023 unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Information Circular (the "Circular") is furnished in connection with the solicitation of proxies being made by the management of Margaret Lake Diamonds Inc. (the "Company") for use at the Annual General and Special Meeting of the Company's shareholders (the "Meeting") to be held on Thursday, April 6, 2023 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Company.

COVID 19 NOTICE

Due to the public health restrictions implemented to combat the spread of the COVID-19 pandemic, including restrictions on mass gatherings implemented by the Government of BC and taking into account the health and safety of our employees, shareholders, service providers and other stakeholders, **THE COMPANY IS REQUESTING ALL SHAREHOLDERS TO REFRAIN FROM ATTENDING THE MEETING IN PERSON AND, INSTEAD, TO VOTE BY PROXY, BY MAIL, BY TELEPHONE OR ON THE INTERNET, RATHER THAN ATTENDING THE MEETING IN PERSON TO VOTE.** Further restrictions with regard to the Meeting may be implemented by the Company as required in accordance with applicable laws and to comply with public health restrictions. At the Meeting, the Company may adopt screening or other measures for identifying COVID-19 symptoms or risk factors as may be recommended or required by applicable health authorities. These measures may include requiring registered shareholders or duly appointed proxy holders still wishing to attend the Meeting in person to sign a confirmation letter at the Meeting that they are not a confirmed case of COVID-19 or a close contact of a confirmed case of COVID-19, they are not experiencing cold or flu-like symptoms, including fever, cough, difficulty breathing, muscle aches, fatigue, headache, sore throat or runny nose, and that they have not travelled outside of Canada for a period of two weeks preceding the Meeting date. The Company reserves the right to refuse admission to a shareholder or proxyholder seeking to attend the Meeting if the Company believes the shareholder or proxyholder poses a health risk to attendees at the Meeting or that admission to the Meeting would otherwise breach public health restrictions. **THE COMPANY WILL LIMIT ATTENDEES AS REQUIRED BY THE MASS GATHERING RESTRICTIONS IMPLEMENTED BY THE GOVERNMENT OF BRITISH COLUMBIA AT THE TIME OF THE MEETING.**

The Company will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting. Any such changes will be communicated by news release which will be made available under the Company's profile on SEDAR at www.sedar.com.

WE STRONGLY ENCOURAGE ALL SHAREHOLDERS TO VOTE BY PROXY RATHER THAN ATTENDING THE MEETING IN PERSON.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the "Management Designees") in the enclosed instrument of proxy ("Instrument of Proxy") have been selected by the directors of the Company and have indicated their willingness to represent

as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Company. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his shares.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “NOBOs”. Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Circular, and the form of proxy indirectly to NOBOs and to the Nominees for onward distribution to OBOs. **The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO’s Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “**VIF**”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request a legal proxy as set forth in the VIF, which will grant the non-registered holder or his/her nominee the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

The Company is not sending the Meeting materials to shareholders using “notice-and-access”, as defined under NI 54-101.

REVOCATION OF PROXIES

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company, at 600 - 525 Howe Street, Vancouver, BC V6C 2Z4, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders**

have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to Proxy.

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Company has issued and outstanding **47,412,288** fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other class of voting securities and does not have any class of restricted securities.

Any shareholder of record at the close of business on February 21, 2023 (the “**Record Date**”) who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder’s shares voted at the Meeting.

To the best of the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or executive 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.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors of the Company, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

1. REPORT AND FINANCIAL STATEMENTS

The Board of Directors of the Company has approved all of the information in the audited financial statements of the Company for the years ended May 31, 2021 and 2022 and the report of the auditor thereon, and the unaudited interim financial statements for the 6 month period ended November 30, 2022, copies of which are delivered herewith.

2. FIX NUMBER OF DIRECTORS TO BE ELECTED AT THE MEETING

Shareholders of the Company will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that three (3) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at three (3).**

3. ELECTION OF DIRECTORS

The term of office for each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management’s nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the nominees for election as directors, the province and country in which each is ordinarily resident, the period or periods during which each has served as a director, the position(s) held in the Company, their present principal occupations and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the Business Corporations Act to which the Company is subject.

Name, Position(s) with the Company and Place of Residence ⁽¹⁾	Principal Occupation ⁽²⁾	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽²⁾
Yari Nieken ⁽³⁾ North Vancouver, BC Canada <i>Chief Executive Officer and Director</i>	Businessman	2022-04-22	1,000,000
Quinn Patrick Field-Dyde ⁽³⁾ Vancouver, BC Canada <i>Corporate Secretary and Director</i>	Businessman	2022-10-31	Nil
Andreas Schleich ⁽³⁾ North Vancouver, BC, Canada <i>Director</i>	Businessman	2022-10-26	2,000,000

Notes:

- (1) For the purposes of disclosing positions held in the Company, “Company” includes the Company and any parent or subsidiary thereof.
- (2) The information as to province and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (3) Member of audit committee.

The following is a brief biography for the three nominee directors who have not previously been elected as a director of the Company at a shareholders' meeting for which an information circular was issued:

Yari Nieken

Mr Nieken has an extensive range of public company and capital market experience. As a founder of Foremost Capital Inc., an exempt market dealer, he provided in depth consulting for numerous publicly listed issuers in the health care, mineral extraction, technology and wellness industry. Throughout the years, he has served on the boards and as an officer of several public and private issuers. His involvement in those companies has led to the numerous financings that raised substantial capital in his career. He was formerly an investment adviser at Union Securities Corp. and principal at Foremost Capital Inc. a Vancouver based Exempt Market Dealer. Mr. Nieken holds a BA from the University of British Columbia and an MBA from the Sydney Graduate School of Management.

Quinn Patrick Field-Dyde

Mr. Field Dyde holds the position of CFO & Director at Quantum Battery Metals Corporation, Chief Financial Officer & Director at Vantex Resources Ltd., Director at Goldseek Resources, Inc. and Director at PlantX Life Inc. In his past career, he co-founded Embassy Games Inc. and has held the titles of Director, Chief Executive & Officer at Hadley Mining, Inc., Chief Executive Officer & Director at Scorpion Resources, Inc. and Chief Financial Officer, Corp. Secretary & Director at Inexco Mining Corp. Mr. Field-Dyde is a seasoned executive having been in the financial services industry for over 20 years. He has led financings of hundreds of millions of dollars in public and private markets and specialized in mergers and acquisitions.

Andrew Schleich

Mr. Schleich has over 20 years of international experience as senior executive with both private and public companies. Over the course of his career, he has held several C-level management positions in multi-cultural and global environments in Germany, Denmark, Mexico and Canada. Mr. Schleich holds a BBA in Marketing and International Business.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, none of the proposed directors of the Company:

- (a) is at the date of this Circular, or has been within the last 10 years, a director or CEO or chief financial officer (“CFO”) of any company (including the Company) that:
 - (i) was subject to 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, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to 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, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On September 29, 2022 at the request of management, the Company submitted an application to the British Columbia Securities Commission (“BCSC”) for a management cease trade order (the “MCTO”) for the postponement of filing its audited financial statements and related management discussion and analysis (“MD&A”) and officer’s certifications (the “**Audited Financial Materials**”) for the year ended May 31, 2022. It was accepted by the BCSC. Yari Alexander Nieken, Director and Officer, was a director during the period of the MCTO. The MCTO was lifted December 21, 2022 when the company filed the delayed financial statements and related MD&A.

PlantX Life Inc., was issued a Management Cease Trade Order on August 2, 2022 and extended until October 14, 2022. The delinquent Annual Audited Financial Statements and MD&A were subsequently filed and the Cease Trade Order was lifted on January 4, 2023. Quinn Field-Dyte was a Director during the timeframe of this MCTO/CTO.

4. APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given in this solicitation will be voted for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting. We propose that the Board of Directors be authorized to set the remuneration to be paid to the auditor. Dale Matheson Carr-Hilton Labonte LLP was first appointed as our auditor on February 21, 2011.

Our Audit Committee recommends the election of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants of Vancouver, British Columbia, as our auditor to hold office until the Company’s next annual general meeting. **Unless such authority is withheld, the persons named in the enclosing proxy intend to vote FOR the approval of the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants as auditors of the Company.**

5. ANNUAL APPROVAL OF STOCK OPTION PLAN

The only equity compensation plan which the Company currently has in place is the 10% rolling stock option plan which was last approved by the shareholders of the Company on August 5, 2021 (the “**2021 Plan**”). The 2021 Plan was established to provide incentive to employees, officers, directors and consultants who provide services to the Company. TSX Venture Exchange (the “**Exchange**”) policy requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Company at the time of grant must be approved and ratified by shareholders on an annual basis.

Management seeks shareholder approval for a renewal of the 2021 Plan in accordance with and subject to the rules and policies of the Exchange. The intention of management in proposing the 2021 Plan is to increase the proprietary interest of employees, officers, directors and consultants in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company. It is proposed that under the 2021 Plan, the total number of common shares that may be reserved for issuance will be 10% of the issued and outstanding common shares of the Company at the time of grant, less any common shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements. The 2021 Plan is subject to annual Exchange approval.

Terms of the 2021 Plan

A full copy of the 2021 Plan will be available at the Meeting for review by shareholders and is attached hereto as Schedule "B". Shareholders may also obtain copies of the 2021 Plan from the Company prior to the Meeting on written request. Capitalized words used below have the meanings assigned to them in the Exchange policies or the Plan, as applicable. The following is a summary of the material terms of 2021 Plan:

1. The options are non-assignable and non-transferable (except that the Optionee's heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee's death).
2. The number of shares subject to each option is determined by the Board of Directors provided that the 2020 Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:
 - (a) the number of options granted to any one Person exceeding 5% of the issued shares of the Company; or
 - (b) the number of options granted to any one Consultant exceeding 2% of the issued shares of the Company; or
 - (c) the number of options granted to all Persons retained to provide Investor Relations Activities of a number shares exceeding 2% of the issued shares of the Company.
3. The exercise price of an option may not be set at less than Discounted Market Price.
4. The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a "blackout period").
5. Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Company at the time of the proposed amendment.
6. For stock options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
7. Any options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee must expire within a reasonable period following the date the Optionee ceases to be in that role (in general, the Exchange considers anything not exceeding 12 months to be a reasonable period for these purposes).

Shareholders will be asked to pass the following, ordinary resolution, re-approving the Company's 2021 Plan:

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the stock option plan of the Company be re-approved substantially in the form attached as Schedule "B" (the "2021 Plan") and the 2021 Plan be and is hereby ratified, approved and adopted as the stock option plan of the Company;
2. the form of the 2021 Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company;
3. the shareholders of the Company hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and

4. any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the resolution re-approving the 2021 Plan. In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders who vote in respect to the resolution.

6. Approval of Restricted Share Unit Plan

On March 3, 2023, the Board approved the adoption of the Company's restricted share unit plan (the "**RSU Plan**") which is subject to ratification of the Company's shareholders at the Meeting and is subject to acceptance by the Exchange.

The purpose of this RSU Plan is to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. This RSU Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected Eligible Persons (defined in the RSU Plan) by providing an opportunity to participate in increases in the value of the Company.

The Reserved Share Units ("**RSUs**") granted under the RSU Plan will vest upon the date that is the later of (i) the date of grant of the RSU, or if no date has been set, December 1 of the third calendar year following the date of grant of the RSU, or (ii) the date that the Eligible Person has achieved the relevant performance condition, or other vesting condition set out in the Award (defined in the RSU Plan). RSUs tend to serve as short term (maximum of 3 years) compensation, depending on the vesting criteria imposed by the Board. When determining the number of RSUs to be granted to a director, officer or other consultant or employee, the Board will take into account the duties and seniority of the Eligible Person, the performance of the and contributions to the success of the Company.

Under the terms of the RSU Plan, the Board may grant RSUs to eligible participants. Each RSU represents the right to receive one common share for no additional consideration upon vesting of an RSU in accordance with the terms of the RSU Plan.

A director, officer, employee or consultant of the Company who has been designated by the Company for participation in the RSU Plan and who agrees to participate in the RSU Plan is an eligible participant to receive RSUs under the RSU Plan. Participation in the RSU Plan is voluntary and, if an eligible participant agrees to participate, the grant of Units will be evidenced by an agreement between the Company and the participant (an "**Agreement**").

The number of Shares issuable under the Plan combined with the number of Shares issuable under all security-based compensation arrangements of the Company, including stock option plan(s), shall not exceed 10% of the issued and outstanding Shares as at the Grant Date and, subject to a consolidation or subdivision of the Common Shares, shall be fixed at 4,712,288.

Unless Disinterested Shareholder Approval (defined below) is obtained, the RSU Plan, is subject to the following limitations:

- i. the maximum number of Shares which may be reserved for issuance to Insiders (as a group) under the RSU Plan may not exceed 10% of the issued Shares;
- ii. the maximum number of RSUs that may be granted to Insiders (as a group) under the RSU Plan, within a 12-month period, may not exceed 10% of the issued Shares calculated on the grant date;
- iii. the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan may not exceed 5% of the issued Shares calculated on the grant date;

- iv. the maximum number of RSUs that may be granted to any one Eligible Person; and performing investor relation activities in any 12 month period must not exceed 2% of the issued Shares of the Company on the grant date; and
- v. no RSUs can be granted to persons performing investor relations activities.

Unless the board of directors of the Company determines otherwise, if an RSU Participant ceases to be an eligible participant under the RSU Plan due to termination with cause or voluntary termination by the RSU participant, all unvested RSUs previously credited to the participant's account and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a termination arising from the termination of employment or removal from service by the Company or a related entity for cause, retirement of the recipient or the voluntary resignation by the recipient.

If an RSU Participant ceases to be an eligible participant under the RSU Plan due to termination without cause, death, total or permanent long-term disability or retirement, any unvested RSUs previously credited to the participant's account will immediately vest on the date the recipient ceases to be an Eligible Person, unless the Board at any time otherwise determines.

RSUs and all other rights, benefits or interests in the RSU Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a recipient dies the legal representatives of the recipient will be entitled to receive the amount of any payment otherwise payable to the recipient hereunder in accordance with the provisions hereof.

If a cash dividend is paid on the Shares of the Company, a recipient's account will be credited with the number and type of RSUs (including fractional RSUs, computed to three digits) calculated by:

- (a) multiplying the amount of the dividend per Share by the aggregate number of RSUs that were credited to the eligible person's account as of the record date for payment of the dividend, and
- (b) dividing the amount obtained in §2.8(a) of the RSU Plan by the Fair Market Value (defined in the RSU Plan) on the date on which the dividend is paid.

Under the terms of the RSU Plan, the Board may amend the RSU Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the recipient or unless required by law, adversely affect the rights of a recipient with respect to RSUs to which the Recipient is then entitled under the RSU Plan.

RSUs are not considered to be Shares or securities of the Company, and an RSU Recipient who is issued RSUs will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of RSUs.

The RSU Plan is an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any recipient to which RSUs are credited to his or her account or holding RSUs or related accruals under the RSU Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

A copy of the RSU Plan is attached to this Circular as Schedule "C" and will be available at the Meeting.

Resolution Approving the RSU Plan

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to approve the RSU Plan (the "**RSU Plan Resolution**"), with or without variation, as follows:

“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The adoption of the restricted share unit plan (the “**RSU Plan**”), as approved by the Board on March 3, 2023, as more particularly described in the Circular of the Company dated March 6, 2023, is hereby ratified, confirmed and approved.
2. To the extent permitted by law, the Company be authorized to abandon all or any part of the RSU Plan if the Board deems it appropriate and in the best interests of the Company to do so.
3. The Board is authorized to amend the RSU Plan at its own discretion without the prior shareholder approval if such approval is required in order to comply with the policies of the TSX Venture Exchange or any other stock exchange where the Shares of the Company may be listed.
4. Any one director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

The Board recommends that shareholders vote FOR the RSU Plan Resolution. Unless otherwise instructed, Shares represented by proxies in favour of management will be voted FOR the RSU Plan Resolution.

“Disinterested Shareholder Approval” means the approval by a majority of the votes cast by all shareholders of the Company at the Meeting excluding votes attached to listed Shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An “**Insider**” is a director, or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting Shares carrying more than 10% of the voting rights attached to all outstanding voting Shares of the Company.

7. DELISTING OF COMMON SHARES

Management of the Company proposes to make an application to voluntarily delist the Common Shares (the “**Delisting**”) from the Exchange and apply to list the common shares on the Canadian Securities Exchange (the “**CSE**”) or any other stock exchange acceptable to the Exchange. The implementation of the Delisting is conditional upon the Company obtaining any necessary regulatory consents.

Voluntary Delisting

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, a resolution authorizing the Delisting (the “**Delisting Resolution**”).

The Board may determine not to present the Delisting Resolution to the Meeting or, if the Delisting Resolution is presented to the Meeting and approved by shareholders, the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Delisting, without further approval of the shareholders. The implementation of the Delisting is also conditional upon the Company obtaining all necessary regulatory consents.

Voluntary Delisting Resolution

The Board recommends that shareholders vote in favour of the Delisting Resolution, substantially in the form set out below:

“BE IT RESOLVED THAT:

1. the Company is hereby authorized to apply to voluntarily delist the Common Shares from the TSX Venture Exchange;

2. the Company is hereby authorized to seek approval from the Canadian Securities Exchange, or other qualified stock exchange, to list its securities for public trading;
3. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they are hereby authorized and empowered to revoke this resolution at any time before it is acted upon and to determine not to proceed with the delisting of the Common Shares from the TSX Venture Exchange without further approval of the shareholders of the Company; and
4. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

To be approved, the Delisting Resolution requires the affirmative vote of a “majority of the minority shareholder approval”, whether in person or by proxy, obtained in accordance with the requirements of the Exchange, being at least a majority of the votes cast on the Delisting Resolution at the Meeting by the disinterested shareholders of the Company, being all the shareholders of the Company other than promoters, directors, officers and other insiders of the Company (the “**Insiders**”), whether in person or by proxy. To the knowledge of the Company, as at the Record Date, the Insiders own an aggregate of 3,000,000 common shares of the Company representing approximately 6.3% of all issued and outstanding Common Shares as of the Record Date which will be excluded from voting on the Delisting Resolution.

If the Delisting Resolution does not receive the requisite shareholder approval, the Common Shares will continue to be listed on the Exchange. **THE BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE DELISTING RESOLUTION. PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE DELISTING RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST THE DELISTING RESOLUTION.**

8. **SHARE CONSOLIDATION**

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution (the “**Consolidation Resolution**”) authorizing the consolidation of the issued and outstanding common shares on such terms as may be approved by the Board and regulatory authorities, on the basis of one (1) post-consolidation Common Share for up to ten (10) pre-consolidation common shares (the “**Consolidation**”), with the actual consolidation ratio to be determined by the Board following the Meeting (such ratio not to exceed ten (10) pre-Consolidation common shares for one (1) post-Consolidation Share.

As at the date of this Circular, the Company had 47,412,288 issued and outstanding. The proposed Consolidation, assuming the maximum 10:1 ratio, will reduce the number of outstanding common shares to approximately 4,741,228 common shares.

Implementation of the Consolidation is subject to the approval of the TSX-V. If the Consolidation Resolution is approved and implemented, the Company will send letters of transmittal to shareholders which will provide instructions on how to obtain new share certificates representing the number of common shares to which such shareholders are entitled as a result of the Consolidation. The Company's name will not change in connection with the Consolidation.

Purpose of the Consolidation

The Board considers it advisable to effect the Consolidation in order to provide the Company with increased flexibility to seek additional financing opportunities and to pursue strategic transactions, and will improve the market's perception of the Company. The Consolidation is also expected to aid in the reduction of the spread between bid and offer prices quoted by market makers in the common shares. Such a reduction in turn should allow shareholders to realize improved prices when buying or selling the common shares.

Principal Effects of the Consolidation

The Consolidation will affect all shareholders of the Company uniformly. If the Consolidation is implemented, each shareholder of the Company will receive one post-consolidation Common Share for up to 10 pre-consolidation common shares held immediately prior to the effective date of the Consolidation, subject to rounding for fractional interests (discussed below). While the Consolidation will result in each shareholder holding a smaller number of common shares, it will not materially affect a shareholder's percentage ownership or voting rights in the Company. Each common share issued and outstanding after the Consolidation will be entitled to one vote and will be fully paid and non-assessable.

The principal effects of the Consolidation will be that:

1. the number of common shares issued and outstanding will be reduced from approximately 47,412,288 shares to approximately 4,741,228 shares (assuming a consolidation at a maximum ratio of ten (10) existing common shares for one (1) new common share);
2. the number of common shares reserved for issuance under the Company's 2021 Plan and any outstanding warrants will be reduced proportionately based on the consolidation ratio selected by the Board; and
3. the exercise or conversion price and/or the number of common shares issuable under the 2021 Plan or any outstanding warrants will be proportionately adjusted based on the consolidation ratio selected by the Board with any fraction rounded to the nearest whole number (see "*Fractional Interests*").

Fractional Interests

No fractional common shares will be issued in connection with the Consolidation. If as a result of the Consolidation, a shareholder would otherwise become entitled to a fraction of a post-consolidation common share, the number of post-consolidation common shares issuable to such shareholder will be rounded to the nearest whole number. For greater certainty and pursuant to section 83 of the *Business Corporations Act* (British Columbia), each fractional common share remaining after the Consolidation that is less than one-half of one common share will be cancelled and each fractional common share that is at least one-half of one common share will be changed to one whole common share. In all other respects, the post-Consolidation Shares will have the same attributes as the existing common shares.

Effect on Share Certificates

If the Consolidation is approved by shareholders and implemented by the Board, registered shareholders will be required to exchange their share certificates representing pre-consolidation common shares for new share certificates representing the number of post-consolidation common shares to which they are entitled.

Promptly after the Consolidation becomes effective, registered shareholders will be sent a letter of transmittal from the Company, which will contain instructions on how to surrender certificate(s) representing pre-consolidation common shares to the Company's transfer agent, Endeavor Trust Corporation. Upon return of a properly completed letter of transmittal, together with the certificate(s) evidencing the pre-consolidation common shares of the Company, a certificate for the appropriate number of post-consolidation common Shares will be issued at no charge. Until surrendered, each share certificate representing pre-consolidation common shares will be deemed for all purposes to represent the number of post-consolidation common shares to which the holder is entitled as a result of the Consolidation.

Non-Registered Shareholders holding their common shares through an Intermediary should note that Intermediaries may have different procedures for processing the Consolidation than those that will be put in place by the Company for registered shareholders. If you hold your common shares with an Intermediary and you have questions in this regard, you are encouraged to contact your Intermediary.

SHAREHOLDERS SHOULD NOT DESTROY ANY SHARE CERTIFICATE(S) AND SHOULD NOT SUBMIT ANY CERTIFICATE(S) UNTIL REQUESTED TO DO SO.

No Dissent Rights

Under the *Business Corporations Act* (British Columbia), shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation.

Risks Associated with the Consolidation

The effect of the Consolidation upon the market price of the common shares cannot be predicted with any certainty. There can be no assurance that the total market capitalization of the common shares immediately following the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation.

In addition, there can be no assurance that any increase in the per-share market price of the common shares following the Consolidation will be sustainable or will equal or exceed the direct arithmetical result of the Consolidation. There are numerous factors and contingencies that could affect the price of the common shares, including the status of the market for the common shares at the time, the Company's operations and general economic, stock market and industry conditions. In addition, a decline in the market price of the common shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation. Furthermore, the Consolidation may lead to an increase in the number of shareholders who hold "odd lots" of shares, which are numbers of shares not easily divisible into board lots. A board lot is 100, 500, or 1,000 shares, depending on the price of the shares. As a general rule, the cost to shareholders of transferring an odd lot of shares is higher than the cost of transferring a board lot.

Shareholder Approval

Pursuant to the policies of the Exchange, the Exchange requires shareholder approval for any security consolidation which, when combined with any other security consolidation conducted by the Company within the previous 24 months that was not approved by its shareholders, would result in a cumulative consolidation ratio of greater than 10 to 1 over such 24 month period. In order for the Consolidation Resolution to be effective, it must be approved by a simple majority of the affirmative vote of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. The Consolidation is also subject to final Exchange approval.

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. Subject to the approval of the TSX Venture Exchange, if and when the directors of the Company shall deem appropriate to do so, the issued and fully paid common shares without par value of the Company (the "**Consolidated Common Shares**") be consolidated at a ratio of up to ten (10) Consolidated common shares for one (1) Common Share (the "**Consolidation**"); provided however, that holders of common shares shall not be entitled to receive any fractional Consolidated common shares following the Consolidation and any fractional common shares resulting from the Consolidation will be rounded to the nearest whole common share, with any fraction of 0.5 or above rounded up;
2. The directors of the Company, in their sole and complete discretion, are authorized and empowered to act upon this ordinary resolution to effect the Consolidation and to determine the actual Consolidation ratio (such ratio not to exceed ten (10) Consolidated common shares for one (1) post-consolidation common share).
3. Any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.
4. Notwithstanding that this resolution has been duly passed (and the Consolidation approved) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, without

further notice to, or approval of, the shareholders of the Company to revoke this resolution at any time and to not proceed with the Consolidation."

The Consolidation requires approval of shareholders by way of an ordinary resolution which must be passed by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting who vote in respect of the Consolidation Resolution. **The Board recommends that shareholders vote FOR the approval of the Consolidation Resolution. The persons named in the accompanying form of proxy intend to vote FOR the Consolidation Resolution unless otherwise instructed on a properly executed and validly deposited proxy.**

6. OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

DIRECTOR AND EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

Statement of Executive Compensation – Venture Issuers.

The following persons are considered the “Named Executive Officers” or “NEOs” for the purposes of the disclosure:

- (a) the Company’s CEO, including an individual performing functions similar to a CEO;
- (b) the Company’s CFO, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer of the Company and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V Statement of Executive Compensation – Venture Issuers, for the May 31, 2021 and 2022 year ends; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was not an executive officer of the Company and was not acting in a similar capacity at May 31, 2022.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any director who is not a Named Executive Officer for each of the Company’s three most recently completed years.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) ⁽¹⁾	Value of all other compensation (\$)	Total compensation (\$)
Yari Nieken CEO and Director ⁽²⁾	2022	\$100,000	Nil	Nil	Nil	Nil	\$100,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) ⁽¹⁾	Value of all other compensation (\$)	Total compensation (\$)
Neil Foran ⁽³⁾ <i>Former CEO and Director</i>	2022	\$254,164	\$65,313	Nil	Nil	Nil	\$319,477
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	\$100,000	Nil	Nil	Nil	Nil	\$100,000
George Kovalyov ⁽⁴⁾ <i>Former CFO and director</i>	2022	\$55,000	Nil	Nil	Nil	Nil	\$55,000
	2021	\$12,500	Nil	Nil	Nil	Nil	\$12,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Butler ⁽⁵⁾ <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Jim Wiesenberg ⁽⁶⁾ <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Michael Reimann ⁽⁷⁾ <i>Former CFO</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Jared Lazerson ⁽⁸⁾ <i>Former CEO and Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	\$12,500	Nil	Nil	Nil	Nil	\$12,500 ⁽⁸⁾

Notes:

- (1) The value of perquisites, if any, was less than \$15,000.
- (2) Yari Nieken was appointed CEO and Director on April 22, 2022.
- (3) Neil Foran was appointed as CFO on Nov. 5, 2019 and as a director on May 14, 2020. He resigned as CFO, and was appointed as CEO on Jan. 1, 2021. He resigned June 27, 2022
- (4) George Kovalyov was appointed CFO on January 6, 2021. He Resigned August 8, 2022.
- (5) Patrick Butler was appointed to the board on January 6, 2021. He Resigned January 17, 2022.
- (6) Jim Wiesenberg was appointed as a director on May 14, 2020. He Resigned January 6, 2022.
- (7) Michael Reimann was CFO from 2018 to 2020. He Resigned May 12, 2020.
- (8) Jared Lazerson resigned from all positions effective February 4, 2021.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended May 31, 2022 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

		Option-Based Awards			Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option(1)(2) (\$)	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 (\$)
Neil Foran former Director - CEO	500,000	0.05	November 5, 2024	NIL	NIL	NIL	NIL

For information about the material terms of the Company’s stock option plan, please refer to the heading “Particulars of Matters to be Acted Upon – Annual Approval of Stock Option Plan”.

Oversight and description of director and Named Executive Officer compensation

Director Compensation

The Board determines director compensation from time to time. Directors are not generally compensated in their capacities as such but the Company may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Company pursuant to the terms of the Stock Option Plan and in accordance with the Exchange policies.

Named Executive Officer Compensation

The Board as a whole determines executive compensation from time to time. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are to attract and retain executives critical to the Company’s success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value. The Company looks at industry standards when compensating its executive officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date of this Circular regarding the number of common shares to be issued pursuant to the Company’s stock option plan as of the year ended May 31, 2022. The Company does not have any equity compensation plans that have not been approved by its shareholders.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders Stock Option Plan	700,000	\$0.055	500,810
Equity compensation plans not approved by security holders	NA	NA	NA
Total	700,000	\$0.055	500,810

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support

agreement, letter of credit or other similar arrangement or understanding provided by the Company, or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a director of executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

AUDIT COMMITTEE

Under Section 224(1) of the *Business Corporations Act* (British Columbia) (the "BCBCA") and Exchange policies, we are required to have an Audit Committee.

Audit Committee Charter

The Audit Committee Charter, attached as Schedule "A" hereto was adopted by our Audit Committee and the Board of Directors.

Composition of the Audit Committee

As of February 21, 2023, our Audit Committee is composed of the following members:

<i>Name</i>	<i>Independent⁽¹⁾</i>	<i>Financially Literate⁽¹⁾</i>
Yari Nieken	No	Yes
Quinn Patrick Field-Dyte	Yes	Yes
Andreas Schleich	Yes	Yes

(1) As that term is defined in National Instrument 52-110 *Audit Committees* ("NI 52-110").

The members of the Audit Committee are elected by the board of directors at its first meeting following the annual shareholders meeting. Unless a chair is elected by the full board of directors, the members of the Audit Committee will designate a chair by a majority vote of the full Audit Committee membership.

Relevant Education and Experience

The educational background or experience of the Audit Committee members has enabled each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles we use to prepare our financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting.

See "Election of Directors" and "Corporate Governance – Directorships" in this Circular for details of the relevant education and experience of the Audit Committee members.

Each member of the Audit Committee has a general understanding of the accounting principles we use to prepare our financial statements and will seek clarification from our auditor, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in supervising one or more individuals engaged in the accounting for estimates, accruals and reserves and experience in preparing, auditing, analyzing or evaluating financial statements similar to our financial statements.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of our most recently completed financial year have we relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for engaging of non-audit services as described in the Audit Committee Charter set out in Schedule “A” to this Circular.

External Auditor Service Fees (By Category)

The table below sets out all fees billed by our external auditor in each of the financial years ended May 31, 2021 and 2022. In the table “Audit Fees” are fees billed by our external auditor for services provided in auditing our financial statements for the financial year. “Audit-Related Fees” are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to performing the auditor reviewing our financial statements. “Tax Fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the auditor for products and services not included in the previous categories.

<i>Financial Year Ended</i>	<i>Audit Fees (\$)</i>	<i>Audit-Related Fees (\$)</i>	<i>Tax Fees (\$)</i>	<i>All Other Fees (\$)</i>
May 31, 2021	22,319	Nil	Nil	Nil
May 31, 2022	53,140	Nil	Nil	Nil

Exemption

We are relying upon the exemption in section 6.1 of NI 52-110, which exempts issuers whose shares are listed only on the Exchange from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose their governance practices in accordance with the instrument. The Company is a “venture issuer” within the meaning of NI 58-101. A discussion of the Company’s governance practices within the context of NI 58-101 is set out below.

1. Board of Directors

The Board of Directors facilitates its independent supervision over management through regular meetings of the Board, both with and without members of our management (including members of management who are also

directors) being in attendance.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of our Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

As of March 6, 2023, the independent member of the Board of Directors is Andreas Schleich and the non-independent directors are Yari Nieken, Chief Executive Officer and Quinn Patrick Field-Dyte, Corporate Secretary.

The mandate of the Board, as prescribed by the BCBCA, is to manage or supervise management of our business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of our affairs directly and through its Audit Committee.

2. Directorships

Certain of our directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<i>Name of Director</i>	<i>Other Reporting Issuer (or equivalent in a foreign jurisdiction)</i>
Yari Nieken	Intact Gold Corp., Majuba Hill Copper Corp.
Quinn Patrick Field-Dyte	Quantum Battery Metals Corp. Vantex Resources Ltd. Goldseek Resources Inc. PlantX Life Inc.
Andreas Schleich	Greenbank Ventures Inc.

3. Orientation and Continuing Education

The Board of Directors is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of our business will be necessary and relevant to each new director. We provide continuing education for our directors as the need arises and encourage open discussion at all meetings, which format encourages learning by the directors.

4. Ethical Business Conduct

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

5. Nomination of Directors

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience. The Board of Directors does not have a nominating committee. The Board of Directors is responsible for recruiting new members to the Board and planning for the succession of Board members.

6. Compensation

The Board of Directors is responsible for determining all forms of compensation, including long-term incentives in the form of stock options, to be granted to our officers and the directors, and for reviewing the CEO’s recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect

the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to our success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and our shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general rules.

7. Other Board Committee

The Board of Directors does not have any committees other than the Audit Committee.

8. Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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

The Board believes its corporate governance practices are appropriate and effective for the Company, given our size and operations. Our corporate governance practices allow us to operate efficiently with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

ADDITIONAL INFORMATION

Additional information about us is located on SEDAR at www.sedar.com. Shareholders may request copies of our financial statements and Management's Discussion and Analysis ("MD&A") by writing to the Company's President. The financial statements and MD&A are also available on SEDAR at www.sedar.com.

OTHER MATERIAL FACTS

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

DIRECTORS' APPROVAL

The Company's Board of Directors has approved the contents of this Circular and sending it to the shareholders.

BY ORDER OF THE BOARD OF DIRECTORS

MARGARET LAKE DIAMONDS INC.

(signed) Yari Nieken
Yari Nieken, CEO and Director

Schedule “A”
Charter of the Audit Committee of the Board of Directors of
Margaret Lake Diamonds Inc.
(the “Company”)

Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Company (the “**Board**”) to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company.

The Audit Committee’s primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor;
- (e) review the Company’s financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – Pre-Approval of Non-Audit Services

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee’s responsibilities to management.

Article 3 – External Advisors

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company’s expense, special legal, accounting or other consultants or experts it deems

necessary in the performance of its duties.

Article 4 – External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Company;
- (i) receive from the external auditors timely reports of:
 - (i) all critical accounting policies and practises to be used;
 - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
 - (iii) other material written communications between the external auditors and management.

Article 5 – Legal Compliance

On at least an annual basis, the Audit Committee will review with the Company's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - Complaints

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action. To the extent practicable, all complaints will be kept confidential. The Company will not condone any retaliation for a complaint made in good faith.

Schedule "B"
MARGARET LAKE DIAMONDS INC.

STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of MARGARET LAKE DIAMONDS INC. (the "**Corporation**") is to advance the interests of the Corporation and each Affiliate of the Corporation by encouraging the Directors, Consultants and Employees of the Corporation and its Affiliates to acquire shares in the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and its Affiliates and furnishing them with additional incentive in their efforts on behalf of the Corporation and its Affiliates.

2. Definitions

Unless otherwise defined in this Plan, all capitalized words shall have the meanings ascribed thereto in the policies of the TSX Venture Exchange Inc. (the "**Exchange**"), as such policies are from time to time amended or varied (the "**Policies**").

3. Administration

3.1 The Plan shall be administered by the board of directors of the Corporation. A majority of the board of directors shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

3.2 Subject to the provisions of the Plan, the board of directors shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the board of directors shall be binding and conclusive on the Optionees and on their legal personal representatives and beneficiaries.

3.3 Notwithstanding the foregoing or any other provision contained herein, the board of directors shall have the right to delegate the administration and operation of the Plan, in whole or in part, to a committee of the board of directors or to the President or any other officer of the Corporation. Whenever used herein, the term "board of directors" shall be deemed to include any committee or officer to which the board of directors has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 3.

3.4 Each option granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the Optionee, in such form as the directors shall approve. Each such agreement shall recite that it is subject to the provisions of the Plan.

4. Number of Shares Reserved under the Plan

4.1 The number of Shares that may be reserved for issuance under the Plan, is limited as follows:

a) the maximum aggregate number of Shares that may be reserved for issuance pursuant to outstanding Options at any particular time shall be that number which is equal to TEN (10%) PERCENT of the number of issued and outstanding Shares at such particular time (including the outstanding stock options as at the date of grant), provided, however, that if any Option is exercised, forfeited, terminated or cancelled, or otherwise expires for any reason whatsoever, then, subject to the maximum number of Shares that may be reserved for issuance pursuant to Options at any particular time as aforesaid, new Options may again be granted for such number of Shares as is equal to the number of Shares subject to any such exercised, forfeited, terminated, cancelled or expired Options; and such maximum number of Shares shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares; and

b) if and for so long as the Shares are listed on the Exchange:

- i. the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to Insiders at any time shall not exceed ten (10%) percent of the issued and outstanding number of Shares, unless the Plan has been approved by the “disinterested shareholders” (as defined in the TSX Corporate Finance Manual);
- ii. the number of Options granted to Insiders (together with any options granted to Insiders pursuant to any other share compensation arrangements of the Company) within a twelve (12) month period to acquire Shares reserved for issuance under the Plan (or any other compensation plan of the Company) must not exceed 10% of the issued and outstanding number of Shares, unless disinterested shareholder approval has been received in accordance with the rules and policies of the Exchange;
- iii. the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to any one Consultant in any twelve (12) month period shall not exceed two (2%) percent of the issued and outstanding number of Shares; calculated as at the date an Option is granted; and
- iv. the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to persons who are employed in Investor Relations Activities, as a group, in any twelve (12) month period, shall not exceed two (2%) percent of the issued and outstanding number of Shares, calculated as at the date an Option is granted.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

- 6.1 Directors, Employees and Consultants of the Corporation and its Affiliates shall be eligible for selection to participate in the Plan. The board of directors shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted, and the number of Shares to be subject to each option. An Optionee may, if he is otherwise eligible, and if permitted under the Policies, be granted an additional option or options if the directors shall so determine.
- 6.2 For options granted to Employees, Consultants or Management Company Employees, the Corporation shall represent in the agreement granting the option that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

7. Exercise Price

- 7.1 The exercise price per Optioned Share under an Option shall be determined by the Committee, in its discretion, at the time such Option is granted, but such price shall be fixed in compliance with the applicable provisions of the TSX Corporate Finance Manual in force at the time of grant and, in any event, shall not be less than the closing price of the Shares on the Exchange on the trading day immediately preceding the day on which the Option is granted (provided that if there are no trades on such day then the last closing price within the preceding ten trading days will be used, and if there are no trades within such ten-day period, then the simple average of the bid and ask prices on the trading day immediately preceding the day of grant will be used), in each case less up to the maximum discount permitted by the EXCHANGE (the “Discounted Market Price”). The exercise price at which, and the number of optioned securities for which, an outstanding Option may be exercised following a subdivision or consolidation of the Shares shall be subject to adjustment in accordance with section 14.

7.2 The exercise price per Optioned Share under an Option may be reduced at the discretion of the Committee if:

- a) prior Exchange approval is obtained and at least six (6) months has elapsed since the later of the date such Option was granted and the date the exercise price for such Option was last amended; and
- b) disinterested shareholder approval is obtained for any reduction in the exercise price under an Option held by an Insider of the Company;

Provided that if the exercise price is reduced to the Discounted Market Price, the Exchange four (4) month hold period will apply from the date of the amendment and further provided that no such conditions will apply in the case of an adjustment made under subsection 4.1(a)(ii).

8. Number of Optioned Shares

The number of Shares subject to an option to an Optionee shall be determined by a resolution of the board of directors, provided that:

- (a) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, no Optionee shall, during any 12 month period, be granted an option which exceeds 5% of the issued and outstanding Shares of the Corporation at the time of granting of the option, calculated at the date an option is granted to any such person;
- (b) no one Consultant shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Shares of the Corporation at the time of granting of the option;
- (c) the aggregate number of options granted to all persons retained to provide Investor Relations Activities, including any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities (each such person being referred to herein as an “**Investor Relations Provider**”), must not exceed 2% of the issued and outstanding Shares of the Corporation, during any 12 month period, calculated at the date an option is granted to any such person. In addition, options issued to Investor Relations Providers must vest in stages over a period of not less than 12 months with no more than $\frac{1}{4}$ (one quarter) of the options vesting in any three month period; and
- (d) unless the Corporation has obtained disinterested shareholder approval and meets applicable Exchange requirements, no options shall be granted to Insiders, as defined in the Exchange policies, if such grant could result in the Insiders, as a group, being granted, within a 12 month period, options to purchase a number of common shares exceeding 10% of the issued common shares of the Corporation, calculated at the date an option is granted to any Insider.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreements and shall be subject to earlier termination as provided in Sections 10, 11 and 12.

10. Option Period, Consideration and Payment

- 10.1 The Option Period for an Option shall be determined by the Board at the time the Option is granted and shall be up to five (5) years from the date the Option is granted. At the time an Option is granted, the Committee may determine that, with respect to that Option, upon the occurrence of one of the events described in subsection 11(a) there shall come into force a time limit for exercise of such Option which is different than the Option Period, and in the event of such a determination, the Option Agreement for such Option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum Option Period provided for in this subsection 10.1 and subject to applicable regulatory requirements and approvals, the Board may extend the Option Period of an outstanding Option beyond its original expiration date, (whether or not such Option is held by an Insider). In addition, the following restrictions shall apply:

- a) Options granted to any Optionee who is a Director, Employee, Consultant, Management Company Employee, or an Optionee who is engaged in Investor Relations Activities shall expire within 90 (ninety) days after the Optionee ceases to be in at least one of those categories; and
 - b) Options granted to a Consultant who is engaged in Investor Relations Activities must be subject to a twelve (12) month vesting schedule, whereby no more than 25% of the options granted may be vested in any three-month period.
- 10.2 Subject to paragraph 10.1, the Committee may determine when any Option will become exercisable and may determine that the Option shall be exercisable in instalments.
- 10.3 If there is a takeover bid or tender offer made for all or any of the issued and outstanding Shares, then the Board may, in its sole and absolute discretion and if permitted by applicable legislation, unilaterally determine that outstanding Options, whether fully vested and exercisable or subject to vesting provisions or other limitations on exercise, shall be conditionally exercisable in full to enable the Optioned Shares subject to such Options to be conditionally issued and tendered to such bid or offer, subject to the condition that if the bid or offer is not duly completed the exercise of such Options and the issue of such Shares will be rescinded and nullified and the Options, including any vesting provisions or other limitations on exercise which were in effect will be re- instated. Provided that prior Exchange approval is obtained for any acceleration or removal of required vesting provisions.
- 10.4 The vested portions of Options will be exercisable, in whole or in part, at any time after vesting. If an Option is exercised for fewer than all of the Optioned Shares for which the Option has then vested, the Option shall remain in force and exercisable for the remaining Optioned Shares for which the Option has then vested, according to the terms of such Option.
- 10.5 The exercise of any Option will be contingent upon receipt by the Company of payment in full for the exercise price of the Shares being purchased in cash by way of certified cheque or bank draft. Neither an Optionee nor the legal representatives, legatees or distributees of such Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issuable to the Optionee or such other persons pursuant to the Option or the Plan.
11. Effect of Termination of Employment or Death
- 11.1 An outstanding Option shall remain in full force and effect and exercisable according to its terms for the Option Period notwithstanding that the holder of such Option ceases to be a Director, Employee, Senior Officer or Consultant of the Company for any reason, including death, subject always to any express term in any Option Agreement made pursuant to subsection 10.1 which provides that upon the occurrence of one of such events there shall come into force a time limit for exercise of such Option which is different than the Option Period. So long as the Shares are listed on the TSX - Venture Exchange (unless otherwise permitted by the Exchange) the maximum period within which the heirs or administrators of a deceased Optionee may exercise any portion of an outstanding Option is one (1) year from the date of death or the balance of the Option Period, whichever is earlier.
- 11.2 In the event of the death of an Optionee, an Option which remains exercisable may be exercised in accordance with its terms by the person or persons to whom such Optionee's rights under the Option shall have passed under the Optionee's will or pursuant to law.
12. Rights of Optionee
- No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued.
13. Proceeds from Sale of Shares

The proceeds from sale of Shares issued upon the exercise of options shall be added to the general funds of the

Corporation and shall thereafter be used from time to time for such corporate purposes as the board of directors may determine and direct.

14. Adjustments

- 14.1 In the event that the outstanding Shares of the Corporation are changed into or exchanged for a different number or kind of shares or other securities of the Corporation, or in the event that there is a reorganization, amalgamation, consolidation, subdivision, reclassification, dividend payable in capital stock or other change in the capital stock of the Corporation, then each Optionee shall thereafter upon the exercise of the option granted to him, be entitled to receive, in lieu of the number of Shares to which the Optionee was theretofore entitled upon such exercise, the kind and amount of shares or other securities or property which the Optionee would have been entitled to receive as a result of any such event if, on the effective date thereof, the Optionee had been the holder of the Shares to which he was theretofore entitled upon such exercise.
- 14.2 In the event the Corporation proposes to amalgamate, merge or consolidate with any other corporation (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Shares of the Corporation or any part thereof shall be made to all holders of Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Optionee, to require the exercise of the option granted within the thirty (30) day period next following the date of such notice and to determine that upon the expiry of such thirty (30) day period, all rights of the Optionee to exercise same (to the extent not theretofore exercised) shall *ipso facto* terminate and cease to have any further force or effect whatsoever.
- 14.3 No adjustment or substitution provided for in this section 11 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.
- 14.4 The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

15. Transferability

Neither the Options nor the benefits and rights of any Optionee under any Option or under the Plan shall be assignable or otherwise transferable, except as specifically provided in subsection 11.2 in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

16. Amendment and Termination of Plan

The Board reserves the right to amend or terminate the Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject to acceptance of such amendment or amended Plan for filing by the Exchange and, where required by the Exchange, the approval of the shareholders of the Company.

17. Regulatory Acceptances

- 17.1 The Plan is subject to the acceptance of the Plan for filing by the Exchange and the Board is authorized to amend the Plan from time to time in order to comply with any changes required from time to time by such applicable regulatory authorities, whether as conditions to the acceptance for filing of the Plan or otherwise, provided that no such amendment will in any way derogate from the rights held by Optionees holding Options (vested or unvested) at the time thereof without the consent of such Optionees.
- 17.2 The obligation of the Company to issue and deliver Optioned Shares pursuant to the exercise of any Options granted under the Plan is subject to the acceptance of the Plan for filing by the Exchange. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain

such acceptance for filing, then the obligation of the Company to issue such Optioned Shares shall terminate and any amounts paid to the Company for such Optioned Shares shall be returned to the Optionee forthwith without interest or deduction.

18. Securities Regulation and Tax Withholding

18.1 Where necessary to enable the Company to use an exemption from requirements to register Optioned Shares or file a prospectus or use a registered dealer to distribute Optioned Shares under securities laws applicable to the securities of the Company in any jurisdiction, an Optionee, upon the acquisition of any Optioned Shares by the exercise of Options and as a condition to such exercise, shall provide to the Committee such evidence as the Committee requires to demonstrate that the Optionee or recipient will acquire such Optioned Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, including an undertaking to that effect in a form acceptable to the Committee. The Committee may cause a legend or legends to be placed upon any certificates for the Optioned Shares to make appropriate reference to applicable resale restrictions, and the Optionee or recipient shall be bound by such restrictions. The Committee also may take such other action or require such other action or agreement by such Optionee or proposed recipient as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the Option Shares under any securities laws applicable to the securities of the Company.

18.2 For all purposes of the Plan, the Committee and the Company may take all such measures as they deem appropriate or necessary to comply with applicable laws, including income tax laws and securities laws and regulations, as well as the rules of regulatory authorities having jurisdiction over the Company or in respect of the securities of the Company. Without limitation to the foregoing, the Committee and the Company may withhold and remit to tax authorities such sums which might otherwise be due or accruing due by the Company to an Optionee, if such withholding and remittance are required under applicable income tax laws in connection with the grant or exercise of the Optionee's Options.

18.3 Issuance, transfer or delivery of certificates for Optioned Shares acquired pursuant to the Plan may be delayed, at the discretion of the Committee, until the Committee is satisfied that the requirements of applicable laws and regulations, and applicable rules of regulatory authorities, have been met.

19. Effective Date of Plan

The Plan has been adopted by the board of directors of the Corporation subject to the approval of the Venture Exchange (the "Exchange") and, if so approved, the Plan shall become effective upon such approval being obtained, subject to disinterested shareholder approval being obtained in accordance with the Policies.

20. Interpretation

20.1 The validity, construction and effect of the Plan, the grants of Options, the issue of Option Shares, any rules and regulations relating to the Plan any Option Agreement, and all determinations made and actions taken pursuant to the Plan, shall be governed by and determined in accordance with the laws of the Province of BC and the laws of Canada applicable therein.

20.2 Headings are given to the sections of the 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 the Plan or any provision thereof.

Schedule "C"
Restricted Share Unit Plan

MARGARET LAKE DIAMONDS INC.
(the "Company")

RESTRICTED SHARE UNIT PLAN

Dated for reference March 6, 2023

PART 1 GENERAL PROVISIONS

Establishment and Purpose

1.1 The Company hereby establishes a restricted share unit plan known as the "Margaret Lake Diamonds Inc. Restricted Share Unit Plan".

1.2 The purpose of this Plan is to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. This Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company.

Definitions

1.3 In this Plan:

- (a) **Applicable Withholding Tax** has the meaning set forth in §3.7;
- (b) **Award** means an agreement evidencing the grant of a Restricted Share Unit;
- (c) **Award Payout** means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (d) **Blackout Period** means the period of time when, pursuant to any policies of the Company or any resolution of the Board, any Shares may not be traded by certain persons as designated by the Company, including a holder of any Restricted Share Unit;
- (e) **Board** means the Board of Directors of the Company;
- (f) **Change of Control** in respect of any Recipient has the meaning ascribed to such term (in a relevant context) in the Recipient's then existing employment agreement with the Company or, if no meaning is so ascribed, means the acquisition by any person or by any person and its joint actors (as such term is defined in the Securities Act), whether directly or indirectly, of voting securities (as such term is defined in Securities Act) of the Company which, when added to all of the voting securities of the Company at the time held by such person and its joint actors, totals for the first time not less than 50% of the outstanding voting securities of the Company;
- (g) **Committee** means the Compensation Committee of the Board, consisting of not less than three directors, to whom the authority of the Board is delegated in accordance with §1.5;
- (h) **Company** means MARGARET LAKE DIAMONDS INC., and includes any successor company thereto;
- (i) **Director** means a member of the Board or of the board of directors of a Related Entity;
- (j) **Eligible Person** means any person who is a Director, Employee, Officer or Consultant;
- (k) **Employee** means an employee of the Company or of a Related Entity;
- (l) **Expiry Date** means December 31 of the third calendar year after the Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;
- (m) **Fair Market Value** means, as at a particular date, for the purpose of calculating the applicable Vesting Date Value and Award Payout,

(i) if the Shares are listed on the Stock Exchange, the greater of: 1) the weighted average of the trading price per Share on the Stock Exchange for the last five trading days ending on that date; and 2) the closing price of the Shares on the day before that date, and

(ii) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;

(n) **Grant Date** means the date of grant of any Restricted Share Unit;

(o) **IFRS** means the International Financial Reporting Standards as adopted by the Accounting Standards Board of Canada;

(p) **Insider** means: (i) a Director or Officer of the Company; (ii) a Director or Officer of a company that is an Insider or Related Entity of the Company; (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company; and (iv) the Company itself if it holds any of its own securities;

(q) **Officer** means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;

(r) **Plan** means this Margaret Lake Diamonds Inc. Restricted Share Unit Plan, as amended from time to time;

(s) **Recipient** means an Eligible Person who may be granted Restricted Share Units from time to time under this Plan;

(t) **Related Entity** means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of

(i) ownership of or direction over voting securities in the second person,

(ii) a written agreement or indenture,

(iii) being the general partner or controlling the general partner of the second person, or

(iv) being a trustee of the second person;

(u) **Required Approvals** has the meaning contained in §1.7.

(v) **Restricted Period** means the period of time: (i) during a Black Out Period; and (ii) within five Business Days following the end of a Black Out Period;

(w) **Restricted Share Unit** means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in §3.1;

(x) **Retirement** means, with respect to a Recipient, the early or normal retirement of the Recipient within the meaning of the pension plan of the Company for salaried employees, whether or not such Recipient is a member of that pension plan, or, if the Company does not have such a plan, the date on which the Recipient reaches age 65;

(y) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;

(z) **Share** means a common share in the capital of the Company as from time to time constituted;

(aa) **Share Compensation Arrangement** means any share option, share option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers or Employees of the Company;

(bb) **Shareholder Approval** means approval by the shareholders of the Company in accordance with the rules of the Stock Exchange;

(cc) **Stock Exchange** means the TSX, the TSXV, the Canadian Securities Exchange (the "CSE") or any other stock exchange on which the Shares are then listed for trading, as applicable;

(dd) **Termination** means, with respect to a Recipient, that the Recipient has ceased to be an Eligible Person, other than as a result of Retirement, and has ceased to fulfil any other role as employee or officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an officer, death or Total Disability;

(ee) **Total Disability** means, with respect to a Recipient, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, if any, the Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Recipient is reasonably qualified to perform;

(ff) **Trigger Date** means, with respect to a Restricted Share Unit, the date set by the Board at the time of grant, and if no date is set by the Board, then December 1 of the third calendar year following the Grant Date of the Restricted Share Unit, as such may be amended in accordance with §2.6;

(gg) **TSX** means The Toronto Stock Exchange;

(hh) **TSXV** means the TSX Venture Exchange; and

(jj) **Vesting Date Value** means the notional value, as at a particular date, of the Fair Market Value of one Share.

Administration

1.4 The Board will, in its sole and absolute discretion, but taking into account relevant corporate, securities and tax laws,

(a) interpret and administer this Plan,

(b) establish, amend and rescind any rules and regulations relating to this Plan, and

(c) make any other determinations that the Board deems necessary or appropriate for the administration of this Plan.

The Board may correct any defect or any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or appropriate. Any decision of the Board in the interpretation and administration of this Plan will be final, conclusive and binding on all parties concerned. All expenses of administration of this Plan will be borne by the Company.

1.5 All the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, without limiting the generality of the foregoing, those referred to under §1.4).

Incorporation of Terms of Plan

1.6 Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Share Unit granted under this Plan.

Effective Date

1.7 This Plan will be effective on the date indicated on the first page of this Plan. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of the necessary Shareholder Approval of the Company, the Stock Exchange and any other regulatory bodies (the "**Required Approvals**").

Maximum Shares Reserved

1.8 The number of Common Shares issuable under the Plan combined with the number of Shares issuable under all security- based compensation arrangements of the Company, including stock option plan(s), shall not exceed 10% of the issued and outstanding Shares as at the Grant Date, and, subject to a consolidation or subdivision of the Common Shares, shall be fixed at 500,000.

Limitations on Restricted Share Units to any One Person, Insiders and Persons Performing Investor Relations Activities

1.9 Unless disinterested Shareholder Approval is obtained (or unless permitted otherwise by the rules of the Stock Exchange):

- (a) the maximum number of Shares which may be reserved for issuance to Insiders (as a group) under the Plan may not exceed 10% of the issued Shares;
- (b) the maximum number of Restricted Share Units that may be granted to Insiders (as a group) under the Plan, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date;
- (c) the maximum number of Restricted Share Units that may be granted to any one Eligible Person under the Plan may not exceed 5% of the issued Shares calculated on the Grant Date;
- (d) the maximum number of Restricted Share Units that may be granted to any one Eligible Person performing investor relation activities in any 12 month period must not exceed 2% of the issued Shares on the Grant Date; and
- (e) no Restricted Share Units may be granted to persons performing investor relations activities.

PART 2

AWARDS UNDER THIS PLAN

Recipients

2.1 Only Eligible Persons are eligible to participate in this Plan and receive one or more Restricted Share Units. Restricted Share Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or a Related Entity, as the case may be, in the Company's or the Related Entity's fiscal year ending in, or coincident with, such calendar year, as determined by the Board in its discretion.

Grant

2.2 The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to §2.4(d), in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

Performance Conditions

2.3 At the time a grant of a Restricted Share Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Share Units as may be specified by the Committee or the Board in the Award (the "**Performance Conditions**"). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one Grantee or to different Grantees.

Vesting

2.4 Except as provided in this Plan, Restricted Share Units issued under this Plan will vest on the date (the "**Vesting Date**") that is the later of:

- (a) the Trigger Date; and
- (b) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied,

provided that

- (c) Restricted Share Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;

(d) if the date in section 2.4(a) or 2.4(b) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one business day following the end of such Restricted Period; and (ii) the Expiry Date; and

(e) no Restricted Share Unit will remain outstanding for any period which exceeds the Expiry Date of such Restricted Share Unit.

Forfeiture and Cancellation Upon Expiry Date

2.5 Restricted Share Units which do not vest on or before the Expiry Date of such Restricted Share Unit will be automatically cancelled, without further act or formality and without compensation.

Amendment of Trigger Date

2.6 The Board of Directors may, at any time after a grant of a Restricted Share Unit, accelerate the Trigger Date of such Restricted Share Unit.

Account

2.7 Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Recipient by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Recipient's account will be sent by the Company to the Recipient upon request of the Recipient.

Dividend Equivalents

2.8 On any date on which a cash dividend is paid on Shares, a Recipient's account will be credited with the number and type of Restricted Share Units (including fractional Restricted Share Units, computed to three digits) calculated by

(a) multiplying the amount of the dividend per Share by the aggregate number of Restricted Share Units that were credited to the Eligible Person's account as of the record date for payment of the dividend, and

(b) dividing the amount obtained in §2.8(a) by the Fair Market Value on the date on which the dividend is paid.

Adjustments and Reorganizations

2.9 In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, or any other change in the capital of the Company affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of Restricted Share Units outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

Notice and Acknowledgement

2.10 No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Eligible Person will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

PART 3

PAYMENTS UNDER THIS PLAN

Payment of Restricted Share Units

3.1 Subject to the terms of this Plan and, in particular, §3.7 of this Plan, the Company, in its discretion and as may be determined by the Board of Directors, will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Recipient by paying or issuing (net of any Applicable Withholding Tax) to such Recipient, on or subsequent to the Trigger Date but no later than the Expiry Date of such Vested Restricted Share Unit, an Award Payout of either:

(a) subject to receipt of the Required Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, such fractional share shall be rounded down to the next full Share.. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable, or

(b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Share Unit.

Limitation on Issuance of Shares to Insiders

3.2 Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Eligible Person who is an Insider of the Company where such issuance would result in:

(a) the total number of Shares issuable at any time under this Plan to Insiders exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and

(b) the total number of Shares that may be issued to Insiders during any one year period under this Plan exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non diluted basis.

Where the Company is precluded by this §3.2 from issuing Shares to an Insider of the Company, the Company will pay to the relevant Insider a cash Award Payout in an amount equal to the Vesting Date Value as at the Trigger Date of the Restricted Share Unit.

Consultants and Advisors

3.3 The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

Cancellation on Termination for Cause, Retirement or Voluntary Resignation

3.4 Unless the Board at any time otherwise determines, all unvested Restricted Share Units held by any Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause, Retirement of the Recipient or the voluntary resignation by the Recipient.

Total Disability, Death and Termination Without Cause

3.5 Unless the Board at any time otherwise determines, if a Recipient ceases to be an Eligible Person for any of the following reasons, unvested Restricted Share Units will immediately vest on the date the Recipient ceases to be an Eligible Person:

(a) death or Total Disability of a Recipient;

(b) the Termination of employment or removal from service by the Company or a Related Entity without cause; and

(c) the Termination of employment by the Recipient other than by way of Retirement of the Recipient or voluntary resignation by the Recipient.

Change of Control

3.6 In the event of a Change of Control, all Restricted Share Units credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on the date on which the Change of Control occurs (the “**Change of Control Date**”). Within thirty (30) days after the Change of Control Date, but in no event later than the Expiry Date, the Participant shall receive a cash payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

Tax Matters and Applicable Withholding Tax

3.7 The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Recipients of Restricted Share Units, or payments received by Recipients pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold (“**Applicable Withholding Tax**”), in such manner (including, without limitation, by selling Shares otherwise issuable to Recipients, on such terms as the Company determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Recipients, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or Related Entity, as applicable, respecting the payment by such Recipients of applicable income or other taxes.

PART 4

MISCELLANEOUS

Compliance with Applicable Laws

4.1 The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws including but not limited to the policies of the Stock Exchange. As a condition of participating in this Plan, each Recipient agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.

Non-Transferability

4.2 Restricted Share Units and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

No Right to Service

4.3 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Recipient a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.

Successors and Assigns

4.4 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person.

Plan Amendment

4.5 The Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Share Units to which the Recipient is then entitled under this Plan.

Plan Termination

4.6 The Board may terminate this Plan at any time, but no termination will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Share Units to which the Recipient is then entitled under this Plan. In no event will a termination of this Plan accelerate the vesting of Restricted Share Units or the time at which a Recipient would otherwise be entitled to receive any payment in respect of Restricted Share Units hereunder.

Governing Law

4.7 This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.

Reorganization of the Company

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

No Shareholder Rights

4.9 Restricted Share Units are not considered to be Shares or securities of the Company, and a Recipient who is issued Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.

No Other Benefit

4.10 No amount will be paid to, or in respect of, a Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Recipient for such purpose.

4.11 For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Recipient to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

Policies of the Stock Exchange

4.12 The policies of the Stock Exchange applicable to the Plan shall be incorporated into the Plan by reference and shall apply to the Plan.

SCHEDULE "A"

FORM OF RESTRICTED SHARE UNIT AGREEMENT

Margaret Lake Diamonds Inc. grant to the undersigned Recipient of Restricted Share Units ("Units") described in the table below pursuant to the Company's Restricted Share Unit Plan (the "Plan"), a copy of which Plan has been provided to the undersigned Recipient.

No. of Units	Trigger Date	Expiry Date

[include any specific/additional vesting period or Performance Conditions]

DATED _____

MARGARET LAKE DIAMONDS INC.

Per: _____

Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Recipient under the Plan, agrees to be bound by the provisions thereof and agrees that the Plan will be effective as an agreement between the Company and the undersigned with respect to the Units granted or otherwise issued to it.

DATED _____, 20____.

Witness (Signature)

Recipient's Signature

Name (please print)

Name of Recipient (print)

Address

City, Province

Occupation