

AADIRECTION CAPITAL CORP.
(the "Issuer")

STOCK OPTION PLAN

June 1, 2022

ARTICLE 1
PURPOSE AND INTERPRETATION

(i) Purpose

1.1 The purpose of this Plan (as defined herein) is to advance the interests of the Issuer by encouraging equity participation in the Issuer through the acquisition of Common Shares (as defined herein) of the Issuer. It is the intention of the Issuer that this Plan will at all times be in compliance with the Exchange Policies (as defined herein) and any inconsistencies between this Plan and the Exchange Policies will be resolved in favour of the latter. This Plan replaces any previous stock option plan of the Issuer and any stock options granted under such previous stock option plan that are still outstanding at the effective time of this Plan are included in any calculation of the total Plan Shares (as defined herein) under this Plan.

(ii) Definitions

1.2 In this Plan

- (a) **"Affiliate"** means a company that is a parent or subsidiary of the Issuer, or that is controlled by the same entity as the Issuer;
- (b) **"Associate"** has the meaning set out by the Securities Act;
- (c) **"Black-out Period"** means an interval of time formally imposed by the Issuer pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information;
- (d) **"Board"** means the board of directors of the Issuer or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **"Business Day"** means a day that the Exchange is open for business;
- (f) **"Common Shares"** means the common shares without par value in the capital of the Issuer providing such class is listed on the Exchange;
- (g) **"Company"** unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (h) **"Consultant"** means an individual or Consultant Company, other than an Employee, Officer or Director that:
 - (i) provides on an ongoing bona fide basis, consulting, technical, managerial, or like services to the Issuer or an Affiliate of the Issuer, other than services provided in relation to a Distribution;

- (ii) provides the services under a written contract between the Issuer or an Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the business and affairs of the Issuer or an Affiliate of the Issuer; and
 - (iv) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Issuer;
- (i) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
 - (j) **“CPC”** means a capital pool company established pursuant to Policy 2.4 of the Exchange that has not completed a qualifying transaction;
 - (k) **“DSU”** or **“Deferred Share Unit”** means a right granted to a Participant by an Issuer as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Issuer on a deferred basis (which is typically after the earliest of the retirement, termination of employment or death of the Participant), and which may provide that, upon vesting, the award may be paid in cash and/or Common Shares of the Issuer
 - (l) **“Director”** means a director (as defined under Securities Laws) of the Issuer or of any subsidiaries of the Issuer;
 - (m) **“Discounted Market Price”** means the Market Price less the following maximum discounts based on closing price of the Issuer’s Common Shares on the Exchange (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of \$0.05):

Closing Price	Discount
Up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

- (n) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all the Issuer’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (o) **“Distribution”** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Issuer from treasury;
- (p) **“Effective Date”** for an Option means the date of grant thereof by the Board;
- (q) **“Employee”** means:

- (i) an individual who is considered an employee under the Income Tax Act (Canada) (i.e. for whom income tax, employment insurance, and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Issuer or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Issuer, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Issuer or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Issuer, but for whom income tax deductions need not be made at source;
- (q) **“Exchange”** means the TSX Venture Exchange or if the Common Shares are not listed on the TSX Venture Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board;
 - (r) **“Exchange Policies”** means the rules and policies of the Exchange, as amended from time to time, including the currently applicable Policy;
 - (s) **“Exercise Price”** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
 - (t) **“Expiry Date”** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
 - (u) **“Insider”** means an insider as defined in the Exchange Policies or as defined in securities legislation applicable to the Issuer;
 - (v) **“Investor Relations Activities”** has the meaning assigned by the Exchange Policies;
 - (w) **“Investor Relations Service Provider”** means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities on behalf of the Issuer;
 - (x) **“Issuer”** means the Issuer named at the top hereof and includes, unless the context otherwise requires, each of its Affiliates and successors according to law;
 - (y) **“Management Company Employee”** means an individual employed by a Person providing management services to the Issuer which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person engaged primarily in Investor Relations Activities;
 - (z) **“Market Price”** means, subject to certain exceptions set out in the applicable Exchange policies, the last closing price of the Issuer’s Listed Shares before either the issuance of the news release or the filing of a price reservation form (Form 4A) required to fix the exercise price at which the Options are exercisable or securities are to be issued or deemed to be issued;

- (aa) **“Material Information”** means a Material Fact (as defined under Securities Laws) and/or Material Change (as defined under Securities Laws);
- (bb) **“Officer”** means an officer (as defined under Securities Laws) of the Issuer or of any subsidiaries of the Issuer;;
- (cc) **“Option”** means a right granted to a Participant by the Issuer to purchase Common Shares at a specified Exercise Price until a specified Expiry Date;
- (dd) **“Option Commitment”** means the notice of grant of an Option delivered by the Issuer hereunder to a Service Provider and substantially in the form of Schedule A hereto;
- (ee) **“Optioned Shares”** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an outstanding Option;
- (ff) **“Optionee”** means the recipient of an Option hereunder;
- (gg) **“Outstanding Shares”** means at the relevant time, the number of issued and outstanding Common Shares of the Issuer from time to time;
- (hh) **“Participant”** means a Service Provider that receives Security Based Compensation granted or issued by the Issuer;
- (ii) **“Person”** includes a Company or an individual;
- (jj) **“Plan”** means a plan of the Issuer pursuant to which the Issuer may grant Options (see also “SP Plan” below);
- (kk) **“Plan Shares”** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (ll) **“Policy”** means Exchange policy 4.4 as currently constituted at the date hereof as may be amended from time to time;
- (mm) **“PSU”** or **“Performance Share Unit”** means a right granted to a Participant by an Issuer as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Issuer upon specified vesting criteria being satisfied (which are typically performance based) and which may provide that, upon vesting, the award may be paid in cash and/or Common Shares of the Issuer;
- (nn) **“Regulatory Approval”** means the approval of the Exchange and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (oo) **“RSU”** or **“Restricted Share Unit”** means a right granted to a Participant by an Issuer as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Issuer upon specified vesting criteria being satisfied (which are typically time based) and which may provide that, upon vesting, the award may be paid in cash and/or Common Shares of the Issuer;

- (pp) **“SAR” or “Stock Appreciation Right”** means a right granted to a Participant by an Issuer as compensation for employment or consulting services or services as a Director or Officer, to receive cash and/or Common Shares of the Issuer based wholly or in part on appreciation in the trading price of the Issuer’s publicly traded securities
- (qq) **“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c. 418 as amended, or any successor legislation;
- (rr) **“Securities for Services”** means an issuance of Common Shares, or Common Shares and Warrants, pursuant to an agreement of the Issuer to pay for services to be provided to the Issuer in Common Shares, or Common Shares and Warrants, rather than cash, and includes Shares for Services;
- (ss) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Issuer;
- (tt) **“Security Based Compensation”** includes any Deferred Share Unit, Performance Share Unit, Restricted Share Unit, Securities for Services, Stock Appreciation Right, Stock Option, Stock Purchase Plan, any security purchase from treasury by a Participant which is financially assisted by the Issuer subject to compliance with Exchange requirements, and any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Issuer from treasury to a Participant, including securities issued under Part 6, and for greater certainty, does not include:
- a arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Issuer; and
 - b arrangements under which Security Based Compensation is settled solely in cash and/or securities purchased on the secondary market;
- (uu) **“Security Based Compensation Plan”** includes any Stock Option Plan, DSU Plan, PSU Plan, RSU Plan, SAR Plan, SP Plan and/or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Issuer from treasury to a Participant;
- (vv) **“Service Provider”** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, of which 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (ww) **“Shareholder Approval”** means approval by a majority of the votes cast by eligible shareholders of the Issuer at a duly constituted shareholders’ meeting;
- (xx) **“SP Plan” or “Stock Purchase Plan”** means a plan of an Issuer pursuant to which that Issuer provides financial assistance or pursuant to which the Participant is allowed to purchase securities of that Issuer (often at a discount to Market Price), or pursuant to which the Participant is entitled to receive additional securities of that Issuer upon subscribing for a pre-established number of securities of that Issuer, which securities may be issued from the treasury of that Issuer or purchased on the secondary market

- (yy) **“Take Over Bid”** means a take over bid as defined in §92 of the Securities Act and the analogous provisions of securities legislation and regulation applicable to the Issuer;
- (zz) **“Termination Date”** has the meaning ascribed thereto in §3.10; and
- (aaa) **“Warrants”** means share purchase warrants issued by the Issuer, each Warrant entitling the holder to purchase a Common Share for a specified exercise price for a specified period of time.

(iii) Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the Exchange Policies, will have the meaning assigned to them in the Exchange Policies.

(iv) Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

**ARTICLE 2
STOCK OPTION PLAN**

(i) Establishment of Stock Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Issuer and its Affiliates.

(ii) Maximum Plan Shares (Rolling up to 10%)

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan, at any point in time, is 10% of the Outstanding Shares as at the date of grant of an Option, less any Common Shares reserved for issuance under awards granted under this Plan, unless this Plan is amended pursuant to the requirements of the Exchange Policies.

(iii) Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the Exchange and the Issuer is obtained.

(iv) Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all applicable terms and conditions set out in this Plan will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

(v) Limitations on Issue (no Options to Investor Relations Service Providers while CPC)

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) the maximum aggregate number of Plan Shares of the Issuer that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person (and where permitted under this Policy, any Companies that are wholly owned by that Person) must not exceed 5% of the Outstanding Shares of the Issuer, calculated as at the date any Security Based Compensation is granted or issued to the Person

(unless the Issuer has obtained Disinterested Shareholder Approval to do so);

- (b) while the Issuer is a CPC, no Options may be granted to Investor Relations Service Providers. Once the Issuer has completed a Qualifying Transaction and is no longer a CPC, the aggregate number of Options granted to all Investor Relations Service Providers in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the Exchange, and Investor Relations Service Providers may not receive any Security Based Compensation other than Stock Options; and

- (c) the maximum aggregate number of Plan Shares of the Issuer that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Consultant must not exceed 2% of the Outstanding Shares of the Issuer, calculated as at the date any Security Based Compensation is granted or issued to the Consultant.

(vi) Options Not Exercised

2.7 In the event Options granted under the Plan have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no securities have been issued, such Options continue to be issuable under the Plan.

(vii) Powers of the Board

2.8 Subject to the terms and conditions of the Plan, which incorporates by reference the Exchange Policies, the Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate, or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the Exchange Policies or the Issuer's tier classification thereunder; and

- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

(viii) Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the Exchange Policies and the prior receipt of any necessary Regulatory and shareholder Approval, the Board may amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder subject to prior written approval of the Exchange, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may add a cashless exercise feature payable including cash or Common Shares which provides for a full deduction of the number of underlying Common Shares from the Share reserved hereunder;
- (e) it may make amendments necessary as a result in changes in securities laws applicable to the Issuer;
- (f) if the Issuer becomes listed or quoted on a stock exchange or stock market senior to the Exchange, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

(ix) Amendments Requiring Disinterested Shareholder Approval

2.10 The Issuer will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Issuer's other Security Based Compensation Plan, could result at any time in:
 - (i) the aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (collectively, as a group) exceeding 10% of the Outstanding Shares at any point in time;
 - (ii) the aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (collectively, as a group) exceeding 10% of the Outstanding Shares calculated as at the date any Security Based Compensation is granted or issued to any Insider; or,

- (iii) the aggregate number of Common shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person (and where permitted under this Policy, any Companies that are wholly owned by that Person) exceeding 5% of the Outstanding Shares calculated as at the date any Security Based Compensation is granted or issued to the Person; or
- (iv) the reduction in the exercise price of an Option, or the extension of the term of an Option, if the Participant is an Insider of the Issuer at the time of the proposed amendment.

(x) Options Granted Under the Issuer's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms hereof.

**ARTICLE 3
TERMS AND CONDITIONS OF OPTIONS**

(i) Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at not less than the Discounted Market Price on the Effective Date of the Option.

3.2 Term of Option - An Option can be exercisable for a maximum of 10 years from the Effective Date of the Option.

(ii) Option Amendment

3.3 The terms of an Option may not be amended once issued except to reduce the number of Outstanding Shares that may be issued under such Security Based Compensation, increase the exercise price of a Stock Option or cancel Security Based Compensation provided the Issuer issues a news release outlining the terms of the amendment. If an Option is cancelled prior to its expiry date, the Issuer must post notice of the cancellation and shall not grant new Options to the same person until 30 days have elapsed from the date of cancellation provided that any such grant to the same person within one year of cancellation shall be subject to Exchange acceptance which will include compliance with Subsections 8.1(b)(i) to (iv) of the Policy.

3.4 An Option must be outstanding for at least one year before the Issuer may extend its term, subject to the limits contained in §3.2.

3.5 Any other proposed amendment to the terms of an Option must be approved by the Exchange prior to the exercise of such Option.

(iii) Vesting of Options

3.6 Subject to §3.7, the Board may, in its sole discretion, attach a term or condition to a particular Option providing that the Option will vest over a certain period of time or upon the occurrence of certain events. The Board may also, in its sole discretion, attach a term or condition to a particular Option providing that the Option will be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events. Unless otherwise determined by the Board,

in its sole discretion, all Options will vest upon grant or over 18 months from the date of grant and will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Issuer or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Issuer or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director or Officer of the Issuer or any of its Affiliates during the vesting period; or
- (c) Vesting of Options Granted to Investor Relations Service Providers.

3.7 Notwithstanding §3.6, Options granted to Investor Relations Services Providers will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

(iv) Effect of Take Over Bid

3.8 Except with respect to Investor Relations Service Providers, if a Take Over Bid is made to the shareholders generally then the Issuer shall, immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding Section 3.6 or any vesting requirements set out in any Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to prior approval from the Exchange with respect to vesting requirements imposed by Exchange Policies. The minimum mandated Exchange vesting provisions applicable to Investor Relations Service Providers continue to be applicable.

(v) Extension of Options Expiring During Blackout Period

3.9 Should the Expiry Date for an Option fall within a Blackout Period, unless the Issuer is subject to a cease trade order (or similar order under Securities Laws) , such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.9 may not be extended by the Board.

(vi) Optionee Ceasing to be Director, Employee or Service Provider

3.10 No Option may be exercised after the earlier of the date that the Service Provider has left his employ/office and the date that the Service Provider has been advised by the Issuer that his services are no longer required or his service contract has expired, (the "**Termination Date**") except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs

or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

- (b) Options granted to any Service Provider will expire within 90 days after the Termination Date, but only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Issuer;
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

If a Service Provider has been granted more than one Option in circumstances where that Service Provider is a Service Provider in one or more capacities of being a Service Provider (for example, a Director and an Employee) and ceases to be a Service Provider in one or more capacities but remains a Service Provider in one or more other capacities, then the termination provisions set out in this §3.10 will apply only to the Options that were granted in the capacity or capacities of Service Provider that have been terminated.

(vii) Non Assignable

3.11 Subject to §3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

(viii) Adjustment of the Number of Optioned Shares

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Issuer will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Issuer will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) subject to the approval of the Exchange, in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Issuer will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (d) subject to the approval of the Exchange, in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Issuer, a consolidation, merger or amalgamation of the Issuer with

or into any other company or a sale of the property of the Issuer as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Issuer for the purposes of this §3.12;

- (e) subject to any applicable Exchange approval, an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Issuer will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Issuer; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Issuer's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Issuer's principal executive office) that the Issuer may designate and who will be granted access to all appropriate records. Such determination will be binding upon the Issuer and all Optionees.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

(i) Option Commitment

4.1 Upon grant of an Option hereunder, an authorized Officer of the Issuer will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Options will be subject to the Plan and the Optionee will have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

(ii) Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering:

- (a) a written notice to the Issuer in the form attached hereto as Schedule B or such other form as the Issuer may require, specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) certified cheque, wire transfer or bank draft payable to the Issuer for the aggregate Exercise Price by the Optioned Shares being acquired.

(iii) Delivery of Certificate for Optioned Shares and Hold Periods

4.3 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Issuer will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued may bear a legend stipulating any resale restrictions required under applicable securities laws or Exchange Policies.

4.4 Notwithstanding anything else contained in this Plan, and subject to compliance with Exchange Policies, the Issuer may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire or electronic funds transfer, or bank draft payable to the Issuer for the amount determined by the Issuer to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Issuer in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Issuer.

ARTICLE 5 GENERAL

(i) Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment, or provision of services with the Issuer, or interfere in any way with the right of the Issuer to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

(ii) No Representation or Warranty

5.2 The Issuer makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Issuer.

(iii) Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

(iv) Effective Date of Plan

5.4 The Plan will become effective from and after [date] and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Issuer subsequent to [date].

SCHEDULE A

STOCK OPTION PLAN OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the "**Effective Date**") [**ISSUER NAME**]. (the "**Issuer**") has granted to _____ (the "**Optionee**"), an Option to acquire _____ Common Shares (the "**Optioned Shares**") up to 4:00 p.m. Vancouver Time on the _____ day of _____, _____ (the "**Expiry Date**") at an Exercise Price of CAD\$_____ per share.

Optioned Shares are to vest immediately.

OR

Optioned Shares will vest as follows:

[INSERT VESTING SCHEDULE AND TERMS]

TERMS AND CONDITIONS

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Issuer's Stock Option Plan (the "**Plan**"), which are incorporated by reference herein including the applicable Exchange Policies (as defined therein).

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire or electronic funds transfer, or bank draft payable to the Issuer for the aggregate Exercise Price. Upon delivery of a treasury order by the Issuer to its transfer agent, a share certificate or direct registration statement (in the case of uncertificated shares) for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter.

The Issuer and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under Exchange Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Exchange Policies) by both the Issuer and the Exchange as more particularly set out in the Acknowledgement - Personal Information in use by the Exchange on the date of the Plan.

[ISSUER NAME]

Authorized Signatory

SIGNATURE OF OPTIONEE

