

**AFR NUVENTURE RESOURCES INC.**

**STOCK OPTION PLAN  
(AMENDED)**

**Effective October 19, 2012,  
Amended effective as of March 17, 2021  
Amended effective as of June 2, 2022**

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**STOCK OPTION PLAN**  
**AFR NUVENTURE RESOURCES INC.**

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

**1.1 Definitions**

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “Administrator” means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) “affiliate” has the meaning ascribed thereto in the Exchange Corporate Finance Manual;
- (c) “associate” has the meaning ascribed thereto in the Securities Act;
- (d) “Award Date” means the date on which the Board grants a particular Option;
- (e) “Board” means the board of directors of the Company;
- (f) “Change of Control” means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (g) “Company” means AFR NuVenture Resources Inc.;
- (h) “Consultant” means an individual or Consultant Company, other than an Employee or a Director, that:
  - (i) is engaged to provide on an ongoing *bona fide* basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,
  - (ii) provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company, and
  - (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (i) “Consultant Company” means, for an individual consultant, a company or partnership of which the individual consultant is an employee or shareholder or partner;
  - (j) “Director” means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;
  - (k) “Disinterested Shareholder Approval” means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates;
  - (l) “Employee” means:
    - (i) an individual who is considered an employee of the Company or its subsidiary 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 Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or
    - (iii) an individual who works for the Company 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 Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
  - (m) “Exchange” means the TSX Venture Exchange or, if the Shares are no longer listed for trading on the TSX Venture Exchange, such other exchange or quotation system on which the Shares are listed or quoted for trading;
  - (n) “Exchange Corporate Finance Manual” means the exchange corporate finance manual of the Exchange, as amended and in force from time to time;

- (o) “Exercise Notice” means the notice respecting the exercise of an Option in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (p) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;
- (q) “Exercise Price” means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;
- (r) “Expiry Date” means the date determined in accordance with paragraphs 3.4 and 3.8 and after which a particular Option cannot be exercised;
- (s) “insider” has the meaning ascribed thereto in the Securities Act;
- (t) “Investor Relations Activities” has the meaning ascribed thereto in the Securities Act;
- (u) “Management Company Employee” means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;
- (v) “Market Price” has the meaning ascribed to such term in the Exchange Corporate Finance Manual;
- (w) “Option” means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (x) “Option Certificate” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (y) “Option Holder” means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (z) “Plan” means this stock option plan, as amended from time to time;
- (aa) “Personal Representative” means:
  - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so, and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

- (bb) “Securities Act” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof; and
- (cc) “Share” or “Shares” means, as the case may be, one or more common shares without par value in the capital of the Company.

## **1.2 Choice of Law**

The Plan is established under and the provisions of the Plan are to be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## **1.3 Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

# **ARTICLE 2 PURPOSE AND PARTICIPATION**

## **2.1 Purpose**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

## **2.2 Participation**

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;
- (b) the length of time that the Employee or Consultant has been employed or engaged by the Company;
- (c) the quality of work performed by the Employee or Consultant; and

- (d) any other factors which it may deem proper and relevant.

### **2.3 Notification of Award**

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

### **2.4 Copy of Plan**

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan, unless a copy has been previously provided to the Option Holder. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### **2.5 Limitation**

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company. Participation in the Plan by an Option Holder is voluntary.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **3.1 Board to Allot Shares**

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

### **3.2 Number of Shares**

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the Shares outstanding from time to time. Additionally, the grant of any Options shall be subject to the following:

- a) The number of Shares subject to an Option shall be determined by the Board, but an Option shall not be granted if the number of Shares issuable under such Option, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, would exceed the maximum number permitted by the rules and policies of the Exchange.
- b) No one person may be granted Options in any twelve-month period, which could, when exercised, result in the issuance of more than 5% of the issued Shares unless the Company has obtained Disinterested Shareholder Approval in respect of such grant and meets applicable Exchange requirements.

- c) No one consultant of the Company (or any of its subsidiaries) shall be granted Options in any twelve-month period, which could, when exercised, result in the issuance of more than 2% of the issued Shares.
- d) Persons employed to provide investor relations activities shall not be granted Options in any twelve-month period which could, in aggregate, when exercised, result in the issuance of more than 2% of the issued Shares.
- e) The maximum aggregate number of Shares that are issuable pursuant to all Options granted or issued, together with the number of Shares issuable under outstanding options granted or issued otherwise than under the Plan, to insiders of the Company (as a group) will not exceed 10% of the issued and outstanding Shares at any point in time, unless the Company has obtained Disinterested Shareholder Approval.
- f) The maximum aggregate number of Shares that are issuable pursuant to all Options granted or issued, together with the number of Shares issuable under outstanding options granted or issued otherwise than under the Plan, in any 12 month period to insiders of the Company (as a group) will not exceed 10% of the issued and outstanding Shares at any point in time, unless the Company has obtained Disinterested Shareholder Approval.

If any Option is cancelled, terminated, surrendered, forfeited or expired without being exercised in full, and if no Shares have been issued pursuant to the unexercised portion of such cancelled, terminated, surrendered, forfeited or expired Option, the number of Shares in respect of such unexercised portion shall again be available for the purposes of the Plan.

### **3.3 Exercise Price**

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the last closing price of the Company's Shares traded through the facilities of the Exchange prior to the grant of the Option, less any discount permitted by the Exchange, or such other price as may be required by the Exchange. Any reduction in the exercise price of, or extension in the term of, an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction or extension, as applicable, will require Disinterested Shareholder Approval.

### **3.4 Term of Option**

Subject to paragraph 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

### **3.5 Termination of Option**

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided

that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the “Early Termination Date”):

**(a) Death**

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve (12) months from the date of death of the Option Holder; or

**(b) Ceasing to Hold Office**

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the 60th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia), or
- (ii) a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such, or
- (iii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.

**(c) Ceasing to be an Employee or a Consultant**

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the 60th day following the date the Option Holder ceases to be an Employee or Consultant of the Company unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

- (i) termination for cause or, in the case of a Consultant, breach of contract, or
- (ii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th day following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

### **3.6 Hold Period and Vesting Requirements**

Unless otherwise required under the policies of the Exchange, the Company may grant Options without an Exchange hold period provided the Exercise Price of an Option is not less than the applicable Market Price.

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. All Options granted to Consultants performing Investor Relations Activities or any Director whose role and duties primarily consist of Investor Relations Activities will vest in stages over 12 months such that: (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted; (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted; (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

The Option Certificate representing any such Option will disclose any vesting conditions.

### **3.7 Effect of a Take-Over Bid**

If a *bona fide* offer (an “Offer”) for Shares is made to an Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of the full particulars of the Offer, whereupon all Shares subject to Options will, subject to any required approval of the Exchange, become vested and the Options may be exercised in whole or in part by each Option Holder so as to permit each Option Holder to tender the Shares received upon exercise of his Options, pursuant to the Offer; provided, however, for greater certainty, in the case of Options granted to Consultants performing Investor Relations Activities or any Director whose role and duties primarily consist of Investor Relations Activities, such Options will continue to vest as contemplated under paragraph 3.6, unless otherwise approved by the Exchange.

However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares acquired by the Option Holder on the exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;

then the Shares received upon the exercise of such Options, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by each Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Options shall be reinstated as if they had not been exercised and the terms upon which such Shares were to become vested pursuant to paragraph 3.6 shall be reinstated. If any Shares are returned to the Company under this paragraph 3.7, the Company shall immediately refund the exercise price to the Option Holder for such Shares.

### **3.8 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, subject to any required approval of the Exchange, declare vested all Shares issuable upon the exercise of Options granted under the Plan (provided, however, for greater certainty, in the case of Options granted to Consultants performing Investor Relations Activities or any Director whose role and duties primarily consist of Investor Relations Activities, such Options will continue to vest as contemplated under paragraph 3.6, unless otherwise approved by the Exchange), and, notwithstanding paragraphs 3.4 and 3.5, declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

### **3.9 Effect of Reorganization, Amalgamation or Merger**

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into

the securities, property or cash which the Option Holder would have received upon such reorganization, amalgamation or merger if the Option Holder had exercised his Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

### **3.10 Effect of Change of Control**

If a Change of Control occurs, all Shares subject to each outstanding Option will become vested, subject to any required approval of the Exchange, whereupon all Options may be exercised in whole or in part by the Option Holder.

### **3.11 Assignment of Options**

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

### **3.12 Adjustments**

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event") other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate and, in the case of an Event other than in connection with a security consolidation or security split, subject to the prior acceptance of the Exchange. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded, and, in the case of an Event other than in connection with a security consolidation or security split, subject to the prior acceptance of the Exchange. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

### **3.13 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

## **ARTICLE 4 EXERCISE OF OPTION**

### **4.1 Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option. For the avoidance of doubt, Options may not be exercised by way of “Cashless Exercise” or “Net Exercise” (as defined in the rules and policies of the Exchange).

### **4.2 Issue of Share Certificates**

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

### **4.3 Condition of Issue**

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully co-operate with the Company in complying with such laws, rules and regulations.

## **ARTICLE 5 ADMINISTRATION**

### **5.1 Administration**

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

## **5.2 Interpretation**

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

## **5.3 Withholding**

Subject to the rules and policies of the Exchange, the Company may withhold from any amount payable to an Option Holder, either under this Plan or otherwise, such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to grants hereunder (the “Withholding Obligations”). The Company shall also have the right in its discretion to, subject to the rules and policies of the Exchange, satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Option Holder such number of Shares issued to the Option Holder sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker), or retaining any amount payable which would otherwise be delivered, provided or paid to the Option Holder hereunder.

Subject to the rules and policies of the Exchange, the Company may require an Option Holder, as a condition to exercise of an Option, to make such arrangements as the Company may require so that the Company can satisfy applicable Withholding Obligations with respect to such exercise, including, without limitation, requiring the Option Holder to: (i) remit the amount of any such Withholding Obligations to the Company in advance; (ii) reimburse the Company for any such Withholding Obligations; (iii) authorize the Company to sell, on behalf of the Option Holder, all of the Shares issuable upon exercise of such Options or such number of Shares as is required to satisfy the Withholding Obligations and to retain such portion of the net proceeds (after payment of applicable commissions and expenses) from such sale the amount required to satisfy any such Withholding Obligations; or (iv) cause a broker who sells Shares acquired by the Option Holder under the Plan on behalf of the Option Holder to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company. The Company undertakes to remit any such amount to the applicable taxation or regulatory authority on account of such Withholding Obligations.

Subject to the rules and policies of the Exchange, any Shares of a Option Holder that are sold by the Company, or by a broker engaged by the Company (the “Broker”), to fund Withholding Obligations will be sold as soon as practicable in transactions effected on the Exchange or such other stock exchange where the majority of the trading volume and value of the Shares occurs. In effecting the sale of any such Shares in accordance with all applicable requirements under the rules and policies of the Exchange, the Company or the Broker will exercise its sole judgement as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Broker will be liable for any loss arising out of any sale of such Shares including any loss relating to the manner or timing of such sales, the prices at which the Shares are sold or otherwise.

In addition, neither the Company nor the Broker will be liable for any loss arising from a delay in transferring any Shares to an Option Holder. The sale price of Shares sold on behalf of Option Holders will fluctuate with the market price of the Company's shares and no assurance can be given that any particular price will be received upon any such sale.

## **ARTICLE 6 AMENDMENT AND TERMINATION**

### **6.1 Prospective Amendment**

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

### **6.2 Retrospective Amendment**

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted. For greater certainty, the policies of the Exchange currently require that disinterested shareholder approval be obtained for any reduction in the Exercise Price of any Option held by an insider of the Company.

### **6.3 Termination**

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

### **6.4 Agreement**

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

**6.5 No Shareholder Rights**

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

**6.6 Record Keeping**

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

**6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

**6.8 Option Holder Status**

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

**ARTICLE 7  
APPROVALS REQUIRED FOR PLAN**

**7.1 Approvals Required for Plan**

Prior to its implementation by the Company, the Plan is subject to approval by the Exchange.

**7.2 Substantive Amendments to Plan**

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

- (a) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange or any stock exchange on which the Shares may be listed for trading; and
- (b) the Exchange or any stock exchange on which the Shares may be listed for trading.

Approved by the directors on October 19, 2012.

Amended by the directors, as approved by the shareholders of the Company, effective as of March 17, 2021.

Amended by the directors, as approved by the shareholders of the Company, effective as of June 2, 2022.

**ON BEHALF OF THE BOARD OF  
AFR NUVENTURE RESOURCES INC.**

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JOHN O'DONNELL  
President & CEO

**SCHEDULE "A"**

**AFR NUVENTURE RESOURCES INC.  
STOCK OPTION PLAN OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Stock Option Plan (the "Plan") of AFR NuVenture Resources Inc. (the "Company") and evidences that \_\_\_\_\_ (the "Option Holder") is the holder of an option (the "Option") to purchase up to \_\_\_\_\_ common shares (the "Shares") in the capital stock of the Company at a purchase price of \$ \_\_\_\_\_ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is \_\_\_\_\_; and
- (b) the Expiry Date of this Option is \_\_\_\_\_.

The right to purchase Shares under the Option will vest in the Option Holder in increments over the term of the Option as follows:

| <b>Date</b> | <b>Cumulative Number of Shares which may be Purchased</b> |
|-------------|---|
|             |   |
|             |   |
|             |   |
|             |   |

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date, by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "AFR NuVenture Resources Inc." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised. If the Option Holder is an employee, consultant or management company employee, the Option Holder confirms that it is a bona fide employee, consultant or management company employee, as the case may be.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

The foregoing Option has been awarded this \_\_\_\_\_ day of \_\_\_\_\_.

The Option Holder acknowledges that:

1. the Option Holder has read and understands the Plan, and agrees to the terms and conditions of the Plan and this Certificate; and
2. the Option Holder consents to the disclosure by the Company of personal information regarding the Option Holder to the TSX Venture Exchange (the "Exchange") and to the collection, use and disclosure of such information by the Exchange, as the Exchange may determine.

**[if exercise price is the less than the applicable Market Price, include the following]**

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate and the shares issuable upon the exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until \_\_\_\_\_.

**AFR NUVENTURE RESOURCES INC.**

Per: \_\_\_\_\_

**SCHEDULE "B"**

**EXERCISE NOTICE**

TO: The Administrator, Stock Option Plan  
AFR NuVenture Resources Inc.  
133 Richmond St West, Suite 204  
Toronto, ON, Canada M5H 2L3

**1. Exercise of Option**

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the "Plan") of AFR NuVenture Resources Inc. (the "Company"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) \_\_\_\_\_ of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (a) number of Shares to be acquired on exercise: \_\_\_\_\_ shares
  - (b) times the Exercise Price per Share: \$ \_\_\_\_\_
- Total Exercise Price, as enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a cheque or bank draft (circle one) in the amount of \$ \_\_\_\_\_, payable to "AFR NuVenture Resources Inc." in an amount equal to the total Exercise Price of the Shares, as calculated above, and directs the Company to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATED the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Witness (Print)

\_\_\_\_\_  
Name of Option Holder (Print)