

## **KODIAK COPPER CORP.**

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Vancouver, BC V6C 2V6  
Telephone: 604-646-8351

### **INFORMATION CIRCULAR**

**This information is given as of April 21, 2021 unless otherwise noted.**

As of April 1, 2020, Dunnedin Ventures Inc. changed its name to Kodiak Copper Corp. and further announced a consolidation of the common shares of the Company on the basis of five pre-consolidation shares for one post consolidation share.

#### **SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management (the “Management”) of KODIAK COPPER CORP. (the “Company” and “Kodiak”), for use at the Annual General and Special Meeting (the “Meeting”), of the shareholders (the “Shareholders”) of the Company, to be held on May 26, 2021, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

#### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying form of Proxy are directors and/or officers of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM/HER ON HIS/HER BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY’S REGISTRAR AND TRANSFER AGENT, ENDEAVOR TRUST CORPORATION, 702-777 HORNBY STREET VANCOUVER BC V6Z 1S4, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The Instrument of Proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Company’s registrar and transfer agent, Endeavor Trust Corporation, 702 – 777 Hornby Street Vancouver, BC, V6Z 1S4, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

## **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

Common Shares of the Company represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon the Common Shares will be voted accordingly.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a “**Special Resolution**”, in which case a majority of not less than two-thirds of the votes cast will be required.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to in this information circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder’s name on the records of the Company. Such common shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners).

With respect to Beneficial Shareholders who are OBOs or NOBOs, regulatory rules require intermediaries/brokers to seek voting instructions in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders who are OBOs or NOBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder who is an OBO or NOBOs by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to**

**Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

In accordance with the Provisions of National Instrument 54-101, the Company has elected not to pay for mailing to OBO's. As a result, OBO's will only receive paper copies of proxy-related materials if the OBO's intermediary assumes the costs of delivery.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a registered shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

**VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company's authorized capital consists of an unlimited number of common shares ("Common Shares") without par value and an unlimited number of preferred shares ("Preferred Shares"). As at April 21, 2021 (the "Record Date"), the Company has 45,815,372 Common Shares issued and outstanding, each Common Share carrying the right to one vote and no Preferred Shares issued and outstanding.

Any Shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and 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, there is no person who beneficially owns, or exercise control or direction over, directly or indirectly, Common Shares of the Company carrying more than 10% of the voting rights attached to all the outstanding Common Shares of the Company.

**EXECUTIVE COMPENSATION**

**Definitions: For the purpose of this Information Circular:**

"Chief Executive Officer" or "CEO" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"Chief Financial Officer" or "CFO" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"closing market price" means the price at which the company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"company" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS2 Share-based Payment;

"external management company" includes a subsidiary, affiliate or associate of the external management company;

“**grant date**” means a date determined for financial statement reporting purposes under IFRS2 Share-based Payment;

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

“**NI 52-107**” means National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“**replacement grant**” means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

“**repricing**” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option; and

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **STATEMENT OF EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Company had four (4) “**Named Executive Officers**” during the financial year ended September 30, 2020, namely, Tony Ricci, CFO, Claudia Tornquist, President and CEO, Jeff Ward, VP Explorations and Andrew Berry, VP Operations.

## COMPENSATION DISCUSSION AND ANALYSIS

Other than as disclosed herein, each Named Executive Officer receives consulting fees or a salary, which constitute the largest share of the officer's compensation package. Such consulting fees are recognition for discharging job responsibilities and reflects the officer's performance over time, as well as that individual's particular experience and qualifications. A Named Executive Officer's compensation is reviewed by the Board of Directors of the Company (the "**Board**") on at least an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years. Named Executive Officers are also eligible to receive discretionary bonuses as determined by the Board based on each officer's responsibilities, his or her achievement of corporate objectives and the Company's financial performance.

The Company currently relies on the recommendations of the Compensation and Governance Committee and Board discussion to determine the amount of compensation payable to the officers of the Company. The Compensation and Governance Committee consists of Chad Ulansky, Kevin Tomlinson and Steven Krause, all of whom are independent. The Board is of the view that the Compensation and Governance Committee collectively has the knowledge, skills, experience and background to make decisions on the suitability of the Company's compensation policies and practices. A description of such skills and experience of Mr. Ulansky, Mr. Tomlinson and Mr. Krause is set out in this Information Circular in Schedule "A" – *Relevant Education and Experience*. The amount of compensation paid to officers of the Company is also based upon the financial situation of the Company.

The Board has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board when implementing its compensation policies and the Board does not believe that the Company's compensation policies result in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

### OPTION BASED AWARDS

The Company has in effect a stock option plan (the "**Option Plan**") in order to provide effective incentives to directors, officers and senior management personnel and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company currently has no equity compensation plans other than the Option Plan. The Option Plan is an important part of the Company's long-term incentive strategy for its executive officers. The Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such executive officer's long term contribution to the Company will be key to its long-term success. Previous grants of stock options are taken into account when considering new grants.

The Shareholders will be asked at the Meeting to approve the adoption of a new stock option plan (the "**2021 Option Plan**"), which will replace the Option Plan, and the adoption of a restricted share unit & deferred share unit plan (the "**RSU & DSU Plan**"). See "*Particulars of Other Matters to be Acted Upon*".

### USE OF FINANCIAL INSTRUMENTS

The Company has a policy that prohibits a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. Management is not aware of any Named Executive or director purchasing such an instrument.

### COMPENSATION

The following table sets out certain information respecting the compensation paid to the NEOs during the years ended September 30, 2020, September 30, 2019 and September 30, 2018:

**Summary Compensation Table**

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term incentive plans			
Tony Ricci CFO	2020	Nil	Nil	20,368	Nil	Nil	Nil	90,000 <sup>(1)</sup>	110,368
	2019	Nil	Nil	7,204	Nil	Nil	Nil	90,000 <sup>(1)</sup>	97,204
	2018	Nil	Nil	72,533	Nil	Nil	Nil	102,500 <sup>(1)</sup>	175,033
Claudia Tornquist President and CEO	2020	200,000 <sup>(2)</sup>	Nil	30,016	Nil	Nil	Nil	Nil	230,016
	2019	179,167 <sup>(2)</sup>	Nil	18,010	Nil	Nil	Nil	Nil	197,177
	2018	137,500 <sup>(2)</sup>	Nil	141,074	Nil	Nil	Nil	Nil	278,574
Jeff Ward VP Exploration	2020	165,288 <sup>(3)</sup>	Nil	8,576	Nil	Nil	Nil	Nil	173,864
	2019	117,003	Nil	7,204	Nil	Nil	Nil	Nil	124,207
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Berry VP Operations	2020	167,825 <sup>(4)</sup>	Nil	8,576	Nil	Nil	Nil	Nil	176,401
	2019	117,245	Nil	7,204	Nil	Nil	Nil	Nil	124,449
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) See “Employment, Consulting and Management Agreements – Consulting Agreement with Tony Ricci”.

(2) See “Employment, Consulting and Management Agreements – Employment Agreement with Claudia Tornquist”. Salary was increased from \$200,000 to \$250,000 as of January 2021.

(3) See “Employment, Consulting and Management Agreements – Employment Agreement with Jeff Ward

(4) See “Employment, Consulting and Management Agreements – Employment Agreement with Andrew Berry

## INCENTIVE PLAN AWARDS

### *Common Share Purchase Plan*

The Company has in effect the Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company’s Shareholders. The Company has no equity incentive plans other than the Option Plan. A summary of the material terms of the Option Plan are as follows:

- the Option Plan reserves, for issue to directors, officers, employees and consultants of the Company pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares from time to time, with no mandatory vesting provisions;
- the number of Common Shares reserved for issue to any one person in any 12 month period under the Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);

- the number of Common Shares reserved for issue to any Consultant (as defined by the Exchange) in any 12 month period under the Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- the aggregate number of Common Shares reserved for issue to any Employee (as defined by the Exchange) conducting Investor Relations Activities (as defined by the Exchange) in any 12 month period under the Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant; the number of Common Shares issued to any one person within a 12 month period on the exercise of stock options may not exceed 5% of the outstanding Common Shares at the time of exercise without Disinterested Shareholder Approval;
- the exercise price per Common Shares for a stock option may not be less than the Discounted Market Price (as determined pursuant to the policies of the Exchange);
- stock options may have a term not exceeding ten years;
- stock options are non-assignable and non-transferable; and
- the Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the Common Shares, or an amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization.

The Shareholders will be asked at the Meeting to approve the adoption of the 2021 Option Plan, which will replace the Option Plan, and the adoption of the RSU & DSU Plan. See "*Particulars of Other Matters to be Acted Upon*".

***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding as at September 30, 2020:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options(\$) <sup>(1)</sup>	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
Tony Ricci	40,000 18,000 18,000 20,000 95,000	0.65 0.70 1.20 0.375 0.35	6-Sep-21 18-Jan-22 31-Jan-23 04-Mar-24 12-Mar-25	100,800 44,460 35,460 55,900 267,900	Nil	N/A	N/A
Claudia Tornquist	10,000 45,000 18,000 97,000 50,000 140,000	0.75 0.95 1.05 1.20 0.375 0.35	4-Aug-21 6-Sep-21 18-Jan-22 31-Jan-23 04-Mar-24 12-Mar-25	26,700 113,400 44,460 191,090 139,750 394,800	Nil	N/A	N/A
Jeff Ward	50,000 20,000 40,000	1.20 0.375 0.35	31-Jan-23 04-Mar-24 12-Mar-25	98,500 55,900 112,800	Nil	N/A	N/A
Andrew Berry	50,000 20,000 40,000	1.20 0.375 0.35	31-Jan-23 04-Mar-24 12-Mar-25	98,500 55,900 112,800	Nil	N/A	N/A

(1) The value of the unexercised “in-the-money” options at the financial year ended September 30, 2020 is the difference between the option exercise price and the market value of the underlying Common Shares on the TSX Venture Exchange (the “Exchange”) on September 30, 2020. The market value of the Common Shares is the closing price of the Common Shares on the Exchange, which was \$3.17 on September 30, 2020.

***Incentive Plan Awards – Value Vested or Earned During the Year***

During the fiscal year ended September 30, 2020, no share-based awards or non-equity plan compensation were vested or earned.

**Employment, Consulting and Management Agreements**

Other than as disclosed and below, no services were provided to the Company during the most recently completed financial year by a director or Named Executive Officer, or any other party who provided services typically provided by a director or Named Executive Officer, pursuant to any employment, consulting or management agreement between the Company and any other party, and the Company has no agreement or arrangement with any director, Named Executive Officer or any other party with respect to any change of control of the Company or any severance, termination or constructive dismissal of any director, Named Executive Officer or any other party, or any incremental payments triggered by any such change of control, severance, termination or constructive dismissal.

### **Employee Agreement with Claudia Tornquist**

In November 2017, the Company entered into an employment agreement with Claudia Tornquist as President of the Company, as subsequently amended. Pursuant to the employment agreement, the Company currently pays Mrs. Tornquist \$250,000 per annum, to be paid monthly in arrears in instalments of \$20,833 prior to deduction of tax remittances.

#### *Termination*

The Company may terminate the employment agreement summarily without any notice or payment in lieu of notice for just cause. All unvested options will be cancelled. Vested options will expire 45 days following termination. All other benefits will be cancelled.

The Company shall be entitled to terminate this agreement without just cause by making a one-time payment to the employee equal 1.5 times the employee's base salary then in effect plus an amount equal to 50% of the most recent bonus granted to the employee. Such amount shall be payable in full within five days following termination of this agreement or other such date and payment schedule as mutually agreed. In addition, any options granted to the employee will immediately vest and will have an expiry date the earlier of two years from termination or the then existing expiry date of the options. In addition, the employee will be permitted to participate in the Company's group health plan for 18 months following termination. In the event extension of benefits is prohibited by the Company health plan, the Company will make an equivalent payment, in cash, to the employee.

#### *Change of Control*

Upon a change in control, all non-vested options of the employee held shall vest. In the event the change in control is a transaction pursuant to which the Company's shares are acquired or exchanged, such non-vested options shall be deemed to vest prior to the completion of such transaction to allow the employee to participate in it in respect of any shares he/she may acquire under such non-vested options.

In the event the employee resigns for good reason under the section stated in the employment agreement; or the Company terminates the Employee's services without just cause within twelve (12) months after a change in control, the Company shall provide the employee with the following, with all cash compensation payable within 5 business days of the employee's last day of work (the "**Termination Date**"):

- i. the full amount of the instalments falling due in respect of the employee's base salary through to the Termination Date, plus an amount equal to the amount, if any, of any accrued vacation pay, the amount of any reimbursable expenses and the amount, if any, of any other compensation actually accrued and then payable to the employee which has not been paid
- ii. any amount which has been fully earned and is payable to the employee under any bonus or benefits plan. If no such amount for the year in which termination occurs has been established as at the Termination Date, the amount paid as Bonus for the immediately preceding year shall be used, on a pro rata basis for the portion of the year up to the Termination Date, for the purposes of determining the amount under this sub-section (ii);
- iii. a lump sum amount equal to twenty-four (24) months of the employee's base salary plus an amount equal to 50% of the most recent bonus granted to the employee;
- iv. the Company shall continue at its cost the benefits then in effect for the employee, until the earlier of twenty-four (24) months from the Termination Date or the employee obtaining comparable benefits through other employment. If the Company is not able to procure benefit coverage for any reason, it shall pay an equivalent amount to the employee in as tax-efficient manner as possible for the employee; and

- v. notwithstanding the terms of any stock option plan or agreement, all non-vested stock options held by the employee shall vest as of the Termination Date and the employee shall be entitled to exercise all his/her stock options until the earlier of their normal expiry date or two (2) years after the Termination Date.

The employee agrees to accept such compensation in full satisfaction of any and all claims the employee has or may have against the Company in respect of such termination.

The estimated incremental payments from the Company to Mrs. Tornquist on (i) termination of employment without just cause, and (ii) resignation of employment for good reason, or termination of employment without just cause within 12 months following a change of control, assuming the triggering event occurred on September 30, 2020, are as follows:

Termination Without Just Cause:

<u>Base Salary Value</u>	<u>Bonus Value</u>	<u>Benefits Value</u>	<u>Total Estimated Incremental Payment</u>
\$300,000	Nil	Nil	\$300,000

Resignation for Good Reason or Termination Without Just Cause within 12 months following a Change of Control:

<u>Base Salary Value</u>	<u>Bonus Value</u>	<u>Benefits Value</u>	<u>Total Estimated Incremental Payment</u>
\$400,000	Nil	Nil	\$400,000

**Consulting Agreement with Tony Ricci**

On June 1, 2019, the Company entered into a consulting agreement with Tony Ricci as Chief Financial Officer of the Company. The Consultant agrees to subscribe for \$30,000 of common shares of the Company in each 12 month period from the date of the agreement if the Company conducts at least one private placement financing during such period. Pursuant to the consulting agreement, the Company pays Mr. Ricci \$90,000 per annum for partial time services to the Company.

*Termination*

The Company may terminate this agreement summarily without any notice or payment in lieu of notice for Just Cause. All unvested options will be cancelled. Vested options will expire 45 days following termination. All other benefits will be cancelled.

The Company shall be entitled to terminate this agreement without just cause by making a one-time payment to the consultant equal 1.5 times the consultants base compensation then in effect plus an amount equal to one-half (50%) of the most recent Bonus granted to the Consultant. Such amount shall be payable in full within five days following termination of this agreement or other such date and payment schedule as mutually agreed. In addition, any options granted to the consultant will immediately vest and will have an expiry date the earlier of two years from Termination or the then existing expiry date of the options. In addition, the consultant will be permitted to participate in the Company's group health plan for 18 months following termination. In the event extension of benefits is prohibited by the Company health plan, the Company will make an equivalent payment, in cash, to the consultant.

*Change of Control*

Upon a change in control, all non-vested options of the consultant held shall vest. In the event the change in control is a transaction pursuant to which the Company's shares are acquired or exchanged, such non-vested options shall be deemed to vest prior to the completion of such transaction to allow the consultant to participate in it in respect of any shares he/she may acquire under such non-vested options.

Notwithstanding any other provision of the consultant agreement, in the event the consultant resigns for good reason under the section stated in the consulting agreement; or the Company terminates the consultant’s services without just cause within twelve (12) months after a change in control, the Company shall provide the consultant with the following, with all cash compensation payable within 5 business days of the consultant’s last day of work (the “Termination Date”):

- i. the full amount of the instalments falling due in respect of the consultant’s base compensation through to the Termination Date, plus an amount equal to the amount, if any, of any accrued vacation pay, the amount of any reimbursable expenses and the amount, if any, of any other compensation actually accrued and then payable to the consultant which has not been paid
- ii. a lump sum amount equal to twenty four (24) months of the consultant’s base compensation plus an amount equal to 50% of the most recent bonus granted to the consultant;
- iii. any amount which has been fully earned and is payable to the consultant under any bonus or benefits plan. If no such amount for the year in which termination occurs has been established as at the Termination Date, the amount paid for the immediately preceding year shall be used, on a pro rata basis for the portion of the year up to the Termination Date, for the purposes of determining the amount under this subsection (iii);
- iv. the Company shall continue at its cost the benefits then in effect for the consultant until the earlier of twenty-four (24) months from the Termination Date or the consultant obtaining comparable benefits through other consulting or employment. If the Company is not able to procure benefit coverage for any reason, it shall pay an equivalent amount to the consultant in as tax-efficient manner as possible for the consultant; and
- v. notwithstanding the terms of any stock option plan or agreement, all non-vested Options held by the consultant shall vest as of the Termination Date and the consultant shall be entitled to exercise all his/her Options until the earlier of their normal expiry date or two (2) years after the Termination Date.

The consultant agrees to accept such compensation in full satisfaction of any and all claims the consultant has or may have against the Company in respect of such termination.

The estimated incremental payments from the Company to Mr. Ricci on (i) termination of engagement without just cause, and (ii) resignation of engagement for good reason, or termination of engagement without just cause within 12 months following a change of control, assuming the triggering event occurred on September 30, 2020, are as follows:

Termination Without Just Cause:

<u>Base Salary Value</u>	<u>Bonus Value</u>	<u>Benefits Value</u>	<u>Total Estimated Incremental Payment</u>
\$135,000	Nil	Nil	\$135,000

Resignation for Good Reason or Termination without Just Cause within 12 months following a Change of Control:

<u>Base Salary Value</u>	<u>Bonus Value</u>	<u>Benefits Value</u>	<u>Total Estimated Incremental Payment</u>
\$180,000	Nil	Nil	\$180,000

### **Employment Agreement with Jeff Ward**

On January 1, 2019, the Company entered into an employment agreement with Jeff Ward. Pursuant to the employment agreement, the Company paid Mr. Ward \$5,556 per month for one-third (1/3) of the working days available in each month (excluding weekends and statutory holidays); and every three (3) months there was an adjustment to reflect the actual level of Services provided by the Employee in the prior three-month period. In addition to the Base Salary, Mr. Ward was paid \$796 per day for days worked above and beyond one-third (1/3) of the working days available in the prior three (3) months, reconciled to timesheets provided by the Employee.

#### *Termination*

The term of the agreement dated January 1, 2019, shall continue for twelve (12) months (the "Term") or until terminated in accordance with the terms of this Agreement.

At any time prior to the completion of the Term, the Agreement may be terminated forthwith by the Company or the Employee without Cause upon thirty (30) days written prior notice to the other party.

Subsequent to the financial year ended September 30, 2020, the agreement dated January 1, 2019 was replaced and superseded by a new agreement dated February 1, 2021. The Company has agreed to pay Mr. Ward \$16,667 per month for Mr. Ward's services as the VP Exploration of the Company.

### **Employment Agreement with Andrew Berry**

On January 1, 2019, the Company entered into an employment agreement with Andrew Berry. Pursuant to the employment agreement, the Company paid Mr. Berry \$5,556 per month for one-third (1/3) of the working days available in each month (excluding weekends and statutory holidays); and every three (3) months there was an adjustment to reflect the actual level of Services provided by the Employee in the prior three-month period. In addition to the Base Salary, Mr. Berry was paid \$796 per day for days worked above and beyond one-third (1/3) of the working days available in the prior three (3) months, reconciled to timesheets provided by the Employee.

#### *Termination*

The term of the agreement dated January 1, 2019, shall continue for twelve (12) months (the "Term") or until terminated in accordance with the terms of this Agreement.

At any time prior to the completion of the Term, the Agreement may be terminated forthwith by the Company or the Employee without Cause upon thirty (30) days written prior notice to the other party.

Subsequent to the financial year ended September 30, 2020, the agreement dated January 1, 2019 was replaced and superseded by a new agreement dated February 1, 2021. The Company has agreed to pay Mr. Berry \$16,667 per month for Mr. Berry's services as the VP Operations of the Company.

### **DIRECTOR COMPENSATION**

There are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year end for their services in their capacity as directors or consultants, other than as set out below.

In addition, directors are eligible under the Option Plan to receive grants of stock options. The Option Plan is an important part of the Company's long-term incentive strategy for its directors, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to directors is dependent on each director's level of responsibility, authority and importance to the Company and the degree to which such director's long-term contribution to the Company will be key to its long-term success.

The Shareholders will be asked at the Meeting to approve the adoption of the 2021 Option Plan, which will replace the Option Plan, and the adoption of the RSU & DSU Plan. See “*Particulars of Other Matters to be Acted Upon*”.

***Director Compensation Table***

The following table sets forth particulars of all compensation paid to directors who were not Named Executive Officers during the year ended September 30, 2020:

<b>Name</b>	<b>Year</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Chris Taylor	2020	Nil	Nil	30,016	Nil	Nil	Nil	30,016
Gary Schellenberg	2020	Nil	Nil	15,008	Nil	Nil	Nil	15,008
Chad Ulansky	2020	Nil	Nil	8,576	Nil	Nil	Nil	8,576
Steven Krause	2020	Nil	Nil	8,576	Nil	Nil	Nil	8,576

***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the directors and which were outstanding at September 30, 2020:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options (\$)	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
Chris Taylor	75,000	0.65	6-Sep-21	189,000	Nil	N/A	N/A
	18,000	0.70	18-Jan-22	44,460			
	18,000	1.20	31-Jan-23	35,460			
	25,000	0.375	04-Mar-24	69,875			
	140,000	0.35	12-Mar-25	394,800			
Gary Schellenberg	60,000	0.65	6-Sep-21	151,200	Nil	N/A	N/A
	18,000	0.70	18-Jan-22	44,460			
	20,000	0.375	04-Mar-24	55,900			
	20,000	0.35	12-Mar-25	56,400			
Chad Ulansky	30,000	0.50	4-Aug-21	80,100	Nil	N/A	N/A
	45,000	0.65	6-Sep-21	113,400			
	18,000	0.70	18-Jan-22	44,460			
	18,000	1.20	31-Jan-22	35,460			
	20,000	0.375	04-Mar-24	55,900			
	40,000	0.35	12-Mar-25	112,800			
Steven Krause	30,000	0.375	04-Mar-24	83,850	Nil	Nil	Nil
	40,000	0.35	12-Mar-25	112,800			

(1) The value of the unexercised “in-the-money” options at the financial year ended September 30, 2020 is the difference between the option exercise price and the market value of the underlying Common Shares on the Exchange on September 30, 2020. The market value of the Common Shares is the closing price of the Common Shares on the Exchange, which was \$3.17 on September 30, 2020.

***Incentive Plan Awards – Value Vested or Earned During the Year***

During the fiscal year ended September 30, 2020 no share based awards or non-equity plan compensation were vested or earned.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION**

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of September 30, 2020:

**Equity Compensation Plan Information**

	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(2)</sup></b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans <sup>(1)</sup> approved by securityholders	2,705,000	\$0.60	1,211,673
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>TOTAL</b>	<b>2,705,000</b>	<b>\$0.60</b>	<b>1,211,673</b>

Note:

- (1) The Option Plan reserves Common Shares equal to a maximum of 10% of the issued and outstanding Common Shares of the Company from time to time for issue of stock options.
- (2) Based on the issued and outstanding Common Shares as at September 30, 2020.

The Shareholders will be asked at the Meeting to approve the adoption of the 2021 Option Plan, which will replace the Option Plan, and the adoption of the RSU & DSU Plan. See “*Particulars of Other Matters to be Acted Upon*”.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Since the beginning of the Company’s last completed financial year, no current or former director, executive officer or employee of the Company, or of any of its subsidiaries, has been indebted to the Company or to any of its subsidiaries, nor has any of these individuals been 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 CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as otherwise disclosed herein, none of:

- (a) the directors or executive officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as directors of the Company; or
- (c) 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 any matters to be acted upon at the Meeting exclusive of the election of directors, other than the approval of the 2021 Option Plan and the approval of the RSU & DSU Plan.

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

For purposes of the following discussion, “**Informed Person**” means (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a 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 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere herein or in the notes to the Company’s financial statements for the financial year ended September 30, 2020, to the knowledge of management of the Company none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as directors of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company’s financial year ended September 30, 2020 or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

### **FINANCIAL STATEMENTS**

The consolidated audited financial statements of the Company for the financial year ended September 30, 2020 (the “**Financial Statements**”), together with the Auditor’s Reports thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor’s Report thereon and the Company’s Management Discussion and Analysis, have being mailed only to those Shareholders who are on the supplemental mailing list maintained by the Company’s registrar and transfer agent. Copies of the Financial Statements, together with the Auditor’s Report thereon and the Company’s Management Discussion and Analysis, Notice of Meeting, Information Circular and Proxy will be available on the SEDAR website and at the Company’s registered and records office at Suite 1020-800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

### **REQUEST FOR FINANCIAL STATEMENTS**

National Instrument 51-102 - *Continuous Disclosure Obligations* sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered shareholders must also provide written instructions in order to receive the financial statements.

### **ELECTION OF DIRECTORS**

The Board currently consists of six directors and it is intended to determine the number of directors at six and to elect six directors for the ensuing year. The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at six. Each director of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders or until his or her successor is duly elected, if his or her office is earlier vacated, in accordance with the Articles of the Company.

Shareholders can vote for all of the proposed nominees herein listed, vote for some of the proposed nominees and withhold for others, or withhold votes for all of the proposed nominees. In the absence of instructions to the contrary, the Common Shares represented by Proxy will be voted FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

***Advance Notice Policy***

In 2014 the Company amended its Articles to incorporate advance notice provisions (the “**Advance Notice Provisions**”) as approved by the shareholders of the Company at the annual general meeting held on May 28, 2014. The Advance Notice Provisions require advance notice to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act (British Columbia)* or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act (British Columbia)*.

The purpose of the Advance Notice Provisions is to foster a variety of interests of the Shareholders and the Company by ensuring that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provisions fix a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and set forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

Pursuant to the Advance Notice Provisions, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Provisions no later than the close of business on **April 25, 2021**. If no such nominations are received by the Company prior to such date, management’s nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

**INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT**

The following table sets out the names of the persons proposed to be nominated by Management for election as a director, the province or state and country in which he or she is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular. The six nominees are all currently directors of the Company.

<b>Name, Province and Country of Ordinary Residence and Positions Held with the Company</b>	<b>Principal Occupation</b>	<b>Date First Became a Director</b>	<b>No. of Common Shares Beneficially Owned, Directly or Indirectly<sup>(2)</sup></b>
Claudia Tornquist Vancouver, BC <i>President, CEO and Director</i>	President & CEO Kodiak Copper Metals and Mining consultant (2013-17)	July 12, 2016	1,010,034
Antonio (Tony) Ricci Burnaby, BC <i>CFO and Director</i>	CPA, President of Nicmar Capital Corp. (formerly Tony M. Ricci Inc.)	December 21, 2010	283,095 <sup>(3)</sup>
Christopher Taylor North Vancouver, BC <i>Chairman and Director</i>	Professional Geologist	May 28, 2014	265,389
Kevin Tomlinson <sup>(1)(2)</sup> Toronto, ON <i>Director</i>	President and CEO of C3 Metals Inc.; Non-Executive Chairman Bellevue Gold Ltd. <sup>(4)</sup>	December 14, 2020	Nil

Name, Province and Country of Ordinary Residence and Positions Held with the Company	Principal Occupation	Date First Became a Director	No. of Common Shares Beneficially Owned, Directly or Indirectly <sup>(2)</sup>
Chad Ulansky <sup>(1)(2)</sup> Kelowna, BC <i>Director</i>	Professional Geologist	July 12, 2016	25,000
Steven Krause <sup>(1)(2)</sup> Vancouver, BC <i>Director</i>	President of Avisar Chartered Professional Accountants	November 20, 2018	81,999 <sup>(5)</sup>

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Compensation and Governance Committee.
- (3) 120,000 Common Shares are held by Nicmar Capital Corp., a private company whose sole shareholder and director is Tony Ricci an officer and director of the Company.
- (4) Mr Tomlinson was a non-executive director of Besra Gold Inc (“Besra”) a TSX and ASX listed company when on December 17, 2014, the Ontario Securities Commission issued a Temporary Order ceasing all trading in the securities of Besra Gold Inc. The order was made because the company had failed to file its continuous disclosure materials as required by the OSC. On March 4, 2015, the Ontario Securities Commission advised that the company’s application for a variation in the terms of the cease trade order were approved. The revised order permitted the company to proceed with the proposed financing with funds utilized to remedy existing defaults with the OSC, specifically the preparation and submission of the 2014 audited accounts and management’s discussion and analysis. On May 17, 2016, Besra obtained Court approval in Toronto for its restructuring proposal and is seeking a variation of the cease trade order issued by the Ontario Securities Commission in December 2014. The cease trade order was revoked by the OSC on November 8, 2018.
- (5) 69,999 Common Shares are held by Courage Holdings Ltd.

Other than as set out above under “Information Concerning Nominees Submitted by Management”, no proposed director (including any personal holding company of a proposed director), is: as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (i) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), 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 while such person was acting in the capacity as director, chief executive officer or chief financial officer;
- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;

No proposed director (including any personal holding company of a proposed director) is:

- (i) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any corporation (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

- (ii) has, within 10 years before the date of this Information 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.

No proposed director (including any personal holding company of a proposed director) is:

- (i) 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
- (iii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

#### **AUDIT COMMITTEE DISCLOSURE**

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule "A".

#### **CORPORATE GOVERNANCE**

The information required to be disclosed by National Instrument 58-101 Disclosure of Corporate Governance Practices is attached to this Information Circular as Schedule "B".

#### **RE-APPOINTMENT AND REMUNERATION OF AUDITORS**

Management recommends the re-appointment of BDO Canada LLP, Chartered Professional Accountants, of Suite 600 – 925 West Georgia Street, Vancouver, BC, V6C 3L2, as auditors for the Company, to hold office until the next Annual General Meeting of the Shareholders at a remuneration to be fixed by the Board, and the persons named in the enclosed Proxy intend to vote in favour of such re-appointment.

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

##### **Adoption of New Articles**

The Board has determined that it would be appropriate and in the best interests of the Company to replace its current Articles in their entirety with a new form of Articles (the "**New Articles**") attached hereto as Schedule "C", subject to the acceptance of the Exchange, in order to bring the Articles in line with the current provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and good corporate governance policies. The adoption of the New Articles will ensure that the Company's Articles are up to date with the current legislation and standard practices with respect to the management and administration of a reporting issuer. A complete copy of the New Articles is attached as Schedule "C" hereto.

The following is a summary of the material differences between the Articles and the New Articles, which is qualified in its entirety by the full text of the New Articles as set out in Schedule "C":

1. The Company may, by resolution of the Board, provide that the shares of any or all of the classes and series of the Company's shares may be uncertificated shares or that any specified shares may be uncertificated shares. Currently, there is no equivalent provision in the Articles; however, the BCBCA provides that shares may be certificated or uncertificated.
2. Where a share certificate or non-transferable written acknowledgment has been lost, stolen or destroyed, a share transfer of the Company must not be registered unless the Company has been provided with indemnity that the Board considers adequate and with proof satisfactory to the Board that the share certificate or non-transferable written acknowledgment is lost, stolen or destroyed. Currently, there is no equivalent provision in the Articles.
3. The instrument of transfer in respect of any share of the Company must be in the form on the back of the Company's share certificates or in another form approved by the Board. Currently, there is no equivalent provision in the Articles.
4. No right or special right attached to issued shares of the Company may be prejudiced or interfered with unless the shareholders holding shares to which such right or special right is attached consent by a separate special resolution of those shareholders. Currently, there is no equivalent provision in the Articles.
5. If the BCBCA does not specify the type of resolution and the Articles do not specify another type of resolution, the Company may by resolution of the directors or by ordinary resolution authorize any act of the Company. If the BCBCA does not specify the type of shareholders' resolution and the Articles do not specify another type of shareholders' resolution, the Company may by ordinary resolution authorize any act of the Company. The Articles currently provide that if the BCBCA and the Articles do not specify the type of resolution, the Company may by special resolution alter the Articles.
6. Where a resolution entitling shareholders to dissent is to be considered at a shareholder meeting, the Company must send to all shareholders, whether or not their shares carry the right to vote, a notice specifying the date of such meeting and advising of the shareholder's right to send a notice of dissent to the Company. This is required under the BCBCA; however, there is no equivalent provision in the Articles.
7. If a shareholder meeting is to consider special business, the notice of meeting must state the general nature of such special business and, if there are any documents that may be considered in connection thereto, attach a copy of such documents or provide a location at which they will be available for inspection. Currently, there is no equivalent provision in the Articles.
8. Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a shareholder meeting is two shareholders who in person or by proxy, in the aggregate, hold at least 5% of the issued shares of the Company entitled to be voted at the meeting. Currently, the Articles state that a quorum for a shareholder meeting is two shareholders in person or represented by proxy, subject to the special rights and restrictions attached to the shares of any class or series of shares.
9. A shareholder or proxy holder who is entitled to participate in a shareholder meeting may do so in person or by telephone or other communications medium if all shareholders and proxy holders participating in the meeting are able to communicate with each other. This is permitted by the BCBCA, unless a corporation's memorandum or articles specifically provide otherwise. The Articles do not address conducting shareholders' meetings by telephone or other communications medium.
10. A vote by proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or of the authority under which the proxy is given, unless written notice of that death, incapacity or revocation is received at the Company's registered office at any time up to and including the last business day before the shareholder meeting or by the chair of the shareholder meeting before the vote is taken. Currently, there is no equivalent provision in the Articles.

11. A director may resign by providing notice in writing to the Company. The Articles currently provide that a director may resign by providing notice to the Company or its legal counsel.
12. A quorum necessary for the transaction of the business of directors may be set by resolution of the directors and, if not so set, is deemed to be a majority of the Board. Currently, the Articles state that a quorum for a directors' meeting may be set by the directors and, if not so set, is deemed to be set at two directors.
13. A director (an "**Appointer**") may, upon giving written notice to the Company, appoint any person qualified to act as director to act in his or her place at a meeting or committee of directors as alternate director, unless the Board has reasonably disapproved of such appointment and has provided such alternate director with notice to that effect. Every alternate director is entitled to a notice of meeting of directors, to attend and vote at such meeting as a director and to sign in place of their Appointer any consent resolutions. A person may be appointed as an alternate director by more than one director. The Company may reimburse an alternate director for reasonable expenses incurred in his or her role as director and may compensate an alternate director with remuneration otherwise payable to the Appointer. Currently, the Articles do not provide for the appointment of alternate directors. The BCBCA permits directors to transfer their powers to another person if provided for by a corporation's articles.
14. The Board or the audit committee, if delegated to by the Board, may determine, in their absolute discretion, the remuneration of an auditor. Currently, the Articles state that shareholders may determine the remuneration of an auditor at an annual general meeting. The BCBCA permits directors to set the remuneration of an auditor if provided for by a corporation's articles.
15. Subject to the BCBCA, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Currently, the Articles do not require the Company to indemnify such persons, although they do permit the Company to indemnify current and former directors and officers and their respective heirs and legal personal representatives against all eligible penalties to which such person is or may be liable. The Articles also permit the Company to, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Additionally, the Articles do not provide for the indemnification of alternate directors.
16. The Company may provide notice to a person by making the notice available for public electronic access in accordance with the procedures referred to as "notice-and-access" under National Instrument 54-101 and National Instrument 51-102, as applicable of the Canadian Securities Administrators, or in accordance with any similar electronic delivery or access method permitted by applicable securities legislation. Currently, there is no equivalent provision in the Articles.
17. A notice that is faxed to a person is deemed to be received by such person on the day it was faxed. A notice that is e-mailed to a person is deemed to be received by such person on the day it was e-mailed. A notice that is made available for public electronic access in accordance with the "notice-and-access" or similar delivery procedures is deemed to be received by a person on the day it was made available for public electronic access. Currently, there are no equivalent provisions in the Articles.

Under the Articles, the adoption of the New Articles requires approval by a special resolution of the Shareholders at a meeting called to consider the resolution. The shareholders of the Company will be requested at the Meeting to approve the adoption of the New Articles by passing the following special resolution (the "**New Articles Resolution**"), which requires approval of not less than two-thirds (2/3) of the votes cast by shareholders who vote, in person or by proxy on the special resolution, at the Meeting:

"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the current Articles of Kodiak Copper Corp. (the "**Company**") be cancelled;

2. the form of articles (the “**New Articles**”) attached as Schedule “C” to the Company’s management information circular dated April 21, 2021 be adopted as the articles of the Company in substitution for, and to the exclusion of, the current articles of the Company;
3. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, including delivering such documents as are necessary or desirable to the Registrar of Companies (British Columbia), as such officer or director, in his or her absolute discretion, determines to be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing; and
4. notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the directors of the Company be and are hereby authorized and empowered to revoke this resolution at any time and to determine not to proceed with the New Articles Resolution without further approval of the shareholders of the Company.”

**The Board considers the New Articles Resolution to be in the best interests of the Company and recommends that Shareholders vote FOR the New Articles Resolution. To be effective, the New Articles Resolution must be approved by not less than two-thirds of the votes cast by the Shareholders of the Company who vote in person or by proxy at the Meeting. In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the New Articles Resolution.**

#### **Approval of the 2021 Option Plan**

On April 21, 2021, the Board approved the adoption of the 2021 Option Plan, subject to the final acceptance of the Exchange and to the approval of the Shareholders. The Exchange has conditionally accepted the 2021 Option Plan, subject to the approval of the Shareholders. The 2021 Option Plan shall become effective upon the receipt of all required shareholder and regulatory approvals (the “**Effective Date**”) and will replace the Option Plan. All of the 3,483,000 stock options currently outstanding under the Option Plan (the “**Outstanding Options**”) will remain outstanding and in full force and effect in accordance with their terms after the Effective Date. However, following the Effective Date, no additional grants shall be made pursuant to the Option Plan, and the Option Plan will terminate on the date upon which no further Outstanding Options remain outstanding.

The purposes of the 2021 Option Plan are to: (a) attract, reward and retain highly competent persons as employees, officers, directors and consultants; (b) promote a further alignment of interests between employees, officers, directors and consultants and the shareholders of the Company; and (c) promote the success of the Company’s business.

A summary of certain provisions of the 2021 Option Plan is set out below. This summary is qualified in its entirety by the full text of the 2021 Option Plan, which is attached hereto as Schedule “D”.

#### *Eligibility*

Stock options granted under the 2021 Option Plan (each, an “**Option**”) may be granted to directors, officers, employees, individuals employed by a person providing management services to the Company (a “**Management Company Employee**”) and consultants of the Company or an affiliate of the Company.

#### *Administration*

The 2021 Option Plan shall be administered by the Board or a committee thereof. Subject to the terms of the 2021 Option Plan, the Board may determine the terms and conditions of any Options, including, but not limited to, the number of Options subject to a grant and the Eligible Persons to whom such Options are granted.

### *Number of Common Shares Issuable*

The maximum number of Common Shares that are issuable to Eligible Persons under Options granted pursuant to the 2021 Option Plan will be that number of Common Shares equal to 10% of the issued and outstanding Common Shares from time to time, inclusive of the 3,483,000 Outstanding Options. If any Option expires or is otherwise cancelled or terminated for any reason without having been exercised in full, the number of Common Shares in respect of such expired or cancelled or terminated Option shall again be available for the purposes of granting Options pursuant to the 2021 Plan.

### *Limits on Participation*

The 2021 Option Plan provides for the following limits on grants, unless disinterested shareholder approval is obtained in accordance with the policies of the Exchange:

- the maximum number of Common Shares reserved for issuance to insiders (as a group) at any time under the 2021 Option Plan, together with any other Common Shares issuable under any security-based compensation arrangements of the Company, may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis;
- the maximum number of Common Shares that may be issued to insiders (as a group) within any 12-month period under the 2021 Option Plan, together with any other Common Shares issued under any security-based compensation arrangements of the Company, may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis on the grant date; and
- the maximum number of Common Shares that may be issued to any one Eligible Person (and companies wholly-owned by that Eligible Person) within any 12-month period under the 2021 Option Plan, together with any other Common Shares issued under any other security-based compensation arrangements of the Company, may not exceed 5% of the issued and outstanding Common Shares on a non-diluted basis on the grant date.

For so long as the Company is subject to the requirements of the Exchange (unless otherwise permitted by the rules of the Exchange), the number of Common Shares issuable to any one consultant within any 12 month period under the 2021 Option Plan, together with any other Common Shares issued under any security-based compensation arrangements of the Company, may not exceed 2% of the number of the issued and outstanding Common Shares on a non-diluted basis on the grant date.

For so long as such limitation is required by the Exchange, the maximum number of Options which may be granted within any 12-month period to employees, consultants and Management Company Employees who perform investor relations activities must not exceed two percent (2%) of the issued and outstanding Common Shares (on a non-diluted basis) calculated as at the date any Option is granted and such Options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period.

### *Material Terms of Grants of Options*

Options shall be exercisable as determined by the Board at the time of grant, provided that no Option shall have a term exceeding 10 years (except where an Option would expire during a black-out period or within 10 business days following the end of a black-out period, in which case the term of the Option shall be extended to the date which is ten business days following the end of such black-out period).

The exercise price of an Option (the “**Option Price**”) shall be determined by the Board and cannot be lower than the greater of: (i) the minimum price required by the Exchange; and (ii) the closing price of a Common Share on the Exchange immediately preceding the day on which the Board grants the Options(s), less the discount to the closing price permitted by the Exchange.

Notwithstanding any vesting conditions the Board may have established in respect of a grant of Options, upon the

occurrence of a Change of Control (as such term is defined in the 2021 Option Plan), take-over bid, reverse take-over or other similar transaction involving the Company all outstanding Options will become fully vested.

*Termination of Employment or Engagement*

Subject to the terms of the 2021 Option Plan, the terms set out in any award agreement in respect of Options or any determination made by the Board:

- in the event of the death of a participant, all Options of the participant shall be deemed to be vested on the date of death and may be exercised by the participant's heirs or legal personal representatives within 12 months following the participant's death;
- upon the termination of employment or engagement of a participant for cause, the participant shall be deemed to have forfeited all right, title and interest with respect to any award of Options not fully vested upon the date of termination;
- upon the termination of employment or engagement of a participant for reasons other than just cause, the participant shall be deemed to have forfeited all right, title and interest in respect of any Options not fully vested on the later of: (i) the conclusion of any notice of termination period the participant is entitled to; and (ii) 90 days following the participant's date of termination. Notwithstanding the foregoing, at the sole election of the Board, all or a portion of the Options may be deemed to have been vested on the termination date; and
- upon a Change of Control, all vesting criteria applicable to grants of Options that are outstanding shall be deemed to have been satisfied as of the date of the Change of Control and each participant whose employment or engagement with the Company or an affiliate of the Company is terminated immediately following the Change of Control shall be entitled to receive, in full settlement of Options held by such participant, a cash payment equal to the difference of the special value (as such term is defined in the 2021 Option Plan) and the exercise price of the Option.

*Amendment, Suspension or Termination of the 2021 Option Plan*

The 2021 Option Plan may be amended, suspended or terminated at any time by the Board, in whole or in part, provided that no amendments adversely affecting the rights of Eligible Persons holding outstanding Options may apply to them without their consent, unless required under applicable law. Shareholder approval is required in accordance with the policies of the Exchange for the following amendments to the 2021 Option Plan:

- an increase in the maximum number of Common Shares issuable under the 2021 Option Plan;
- reducing the Option Price of an Option held by an Insider or cancelling an Option held by an Insider and replacing such Option with a lower Option Price under such replacement Option;
- an amendment to the individuals designated as Eligible Persons under the 2021 Option Plan which increases participation in the 2021 Option Plan by insiders;
- an amendment to the amendment provisions contained in the 2021 Option Plan; and
- any amendments required to be approved by shareholders under applicable law.

*2021 Option Plan Resolution*

At the Meeting, the Shareholders will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the 2021 Option Plan, which resolution requires approval of greater than 50% of the votes cast by the Shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

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

1. subject to final acceptance of the TSX Venture Exchange (the “**Exchange**”), the Company’s new stock option plan (the “**2021 Option Plan**”), substantially in the form attached as Schedule “D” to the management information circular of Kodiak Copper Corp. (the “**Company**”) dated April 21, 2021, is hereby approved;
2. the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant stock options (each, an “**Option**”) pursuant to the 2021 Option Plan to those eligible to receive Options thereunder;
3. any one director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
4. notwithstanding that this resolution be passed by the shareholders of the Company, the adoption of the proposed 2021 Option Plan is conditional upon receipt of final approval of the Exchange, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors of the Company.”

*Recommendation of the Board*

**The Board has determined that the 2021 Option Plan is in the best interests of the Company and its shareholders and unanimously recommends that the Shareholders vote in favour of approving the 2021 Option Plan. In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the 2021 Option Plan or not to proceed with the 2021 Option Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and its shareholders and to do so in light of any subsequent event or development occurring after the date of this Information Circular.

**Approval of the RSU & DSU Plan**

On April 21, 2021, the Board approved the adoption of the RSU & DSU Plan, subject to the final acceptance of the Exchange and to the approval of the shareholders of the Company, excluding all votes of those eligible to receive grants pursuant to the RSU & DSU Plan and their affiliates and associates (the “**Disinterested Shareholders**”). The Exchange has conditionally accepted the RSU & DSU Plan, subject to the approval of the Disinterested Shareholders of the Company. The purposes of the RSU & DSU Plan are to: (a) attract, reward and retain highly competent persons as employees, officers, directors and consultants; (b) promote a further alignment of interests between employees, officers, directors and consultants and the shareholders of the Company; and (c) promote the success of the Company’s business.

A summary of certain provisions of the RSU & DSU Plan is set out below. This summary is qualified in its entirety by the full text of the RSU & DSU Plan, which is attached hereto as Schedule “E”.

*Eligibility*

Restricted share units (“**RSUs**”) granted under the RSU & DSU Plan may be granted to directors, officers, employees, Management Company Employees and consultants of the Company or an affiliate of the Company, excluding, for so long as required pursuant to the policies of the Exchange, any employees, consultants and Management Company Employees who perform investor relations activities on behalf of the Company or an affiliate of the Company (collectively, “**Eligible Persons**”). Deferred share units (“**DSUs**”, together with RSUs, “**Share Units**”) may also be granted to Eligible Persons, although consultants of the Company or an affiliate of

the Company are not eligible to be granted DSUs under the RSU & DSU Plan.

#### *Administration*

The RSU & DSU Plan shall be administered by the Board or a committee thereof. Subject to the terms of the RSU & DSU Plan, the Board may determine the terms and conditions of any Share Units, including, but not limited to, the number of Share Units subject to a grant and the Eligible Persons to whom such Share Units are granted; and the terms, conditions and restrictions with respect to the granting and redemption of a Share Unit.

#### *Number of Common Shares Issuable*

Subject to adjustment, the maximum number of Common Shares that may be reserved for issuance under the RSU & DSU Plan is 2,290,768 Common Shares. All Common Shares that are reserved for issuance pursuant to Share Units that are terminated or cancelled prior to redemption are available for future grants. To the extent that any Share Units that may be paid out in cash or Common Shares or a combination thereof are paid out in cash, the Common Shares that were potentially issuable in respect of such Share Units shall again be available under the RSU & DSU Plan.

#### *Limits on Participation*

The RSU & DSU Plan provides for the following limits on grants, unless disinterested shareholder approval is obtained in accordance with the policies of the Exchange:

- the maximum number of Common Shares reserved for issuance to insiders (as a group) at any time under the RSU & DSU Plan, together with any other Common Shares issuable under any security-based compensation arrangements of the Company, may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis;
- the maximum number of Common Shares that may be issued to insiders (as a group) within any 12-month period under the RSU & DSU Plan, together with any other Common Shares issued under any security-based compensation arrangements of the Company, may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis on the grant date; and
- the maximum number of Common Shares that may be issued to any one Eligible Person (and companies wholly-owned by that Eligible Person) within any 12-month period under the RSU & DSU Plan, together with any other Common Shares issued under any other security-based compensation arrangements of the Company, may not exceed 5% of the issued and outstanding Common Shares on a non-diluted basis on the grant date.

For so long as the Company is subject to the requirements of the Exchange (unless otherwise permitted by the rules of the Exchange), the number of Common Shares issuable to any one consultant within any 12 month period under the RSU & DSU Plan, together with any other Common Shares issued under any security-based compensation arrangements of the Company, may not exceed 2% of the number of the issued and outstanding Common Shares on a non-diluted basis on the grant date.

#### *Redemption of RSUs*

A holder of an RSU is entitled, subject to the achievement of exercise criteria or vesting or other criteria determined by the Board, to receive one Common Share per RSU, payment in cash or a combination of both, as determined by the Board or, if applicable, by the participant. Where a participant is to receive cash in settlement of RSUs, then the participant shall receive a cash payment equal to the number of RSUs being settled, multiplied by the market price on the Release Date (as such term is defined in the RSU & DSU Plan) applicable to such RSUs. For the purposes of the RSU & DSU Plan, "market price" as at any date means the volume weighted average trading price of the Common Shares on the Exchange for the five trading days immediately preceding the relevant date, calculated by dividing the total value by the total volume of Common Shares, rounded up to the nearest cent.

A RSU shall be redeemed and paid on the first Release Date following satisfaction of the exercise criteria in respect of the RSU. Notwithstanding any vesting conditions the Board may have established in respect of a grant of RSUs, upon the occurrence of a Change of Control (as such term is defined in the RSU & DSU Plan), take-over bid, reverse take-over or other similar transaction involving the Company, all outstanding RSUs will become fully vested.

#### *Redemption of DSUs*

A holder of a DSU is entitled, subject to the achievement of any terms and conditions as determined by the Board, to receive one Common Share per DSU, payment in cash or a combination of both, as applicable, as determined by the Board or, if applicable, by the participant. A DSU shall be redeemed by the Company 10 business days following the Termination Date (as such term is defined in the RSU & DSU Plan), unless otherwise agreed to between the Company and the participant. Where a participant is to receive cash in settlement of DSUs, then the participant shall receive a cash payment equal to the number of DSUs being settled multiplied by the market price on the Termination Date. Notwithstanding any vesting conditions the Board may have established in respect of a grant of DSUs, upon the occurrence of a Change of Control, take-over bid, reverse take-over or other similar transaction involving the Company, all outstanding DSUs will become fully vested.

#### *Termination of Employment or Engagement*

Subject to the terms of the RSU & DSU Plan, the terms set out in any award agreement in respect of Share Units or any determination made by the Board:

- in the event of the death of a participant, all Share Units of the participant shall be deemed to be vested or to have had the exercise criteria relating thereto satisfied on the date of death and may be exercised by the participant's heirs or legal personal representatives within 12 months following the participant's death;
- upon the termination of employment or engagement of a participant for cause, the participant shall be deemed to have forfeited all right, title and interest with respect to any award of Share Units not fully vested or in respect of which the exercise criteria has not been satisfied upon the date of termination;
- upon the termination of employment or engagement of a participant for reasons other than just cause, the participant shall be deemed to have forfeited all right, title and interest in respect of any Share Units not fully vested or in respect of which the exercise criteria has not been satisfied on the later of: (i) the conclusion of any notice of termination period the participant is entitled to; and (ii) 90 days following the participant's date of termination. Notwithstanding the foregoing, at the sole election of the Board, all or a portion of the Share Units may be deemed to have been vested or to have had the exercise criteria related thereof satisfied on the termination date; and
- upon a Change of Control, all vesting and exercise criteria applicable to grants of Share Units that are outstanding shall be deemed to have been satisfied as of the date of the Change of Control and each participant whose employment or engagement with the Company or an affiliate of the Company is terminated immediately following the Change of Control shall be entitled to receive, in full settlement of Share Units held by such participant, a cash payment equal to the special value (as such term is defined in the RSU & DSU Plan).

#### *Amendment, Suspension or Termination of the RSU & DSU Plan*

The RSU & DSU Plan may be amended, suspended or terminated at any time by the Board, in whole or in part, provided that no amendments adversely affecting the rights of Eligible Persons holding outstanding Share Units may apply to them without their consent, unless required under applicable law. Shareholder approval is required in according with the requirements of the Exchange for the following amendments to the RSU & DSU Plan:

- an increase in the maximum number of Common Shares issuable under the RSU & DSU Plan;

- an amendment to the individuals designated as Eligible Persons under the RSU & DSU Plan which increases participation in the RSU & DSU Plan by insiders;
- an amendment to the amendment provisions contained in the RSU & DSU Plan; and
- any amendments required to be approved by shareholders under applicable law.

#### *RSU & DSU Plan Resolution*

At the Meeting, the Disinterested Shareholders of the Company will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the RSU & DSU Plan, which resolution requires approval of greater than 50% of the votes cast by Disinterested Shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting, excluding an aggregate of 1,897,516 Common Shares beneficially owned by those eligible to receive grants pursuant to the RSU & DSU Plan and their affiliates and associates as at the Record Date:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, WITH ALL THOSE ELIGIBLE TO RECEIVE GRANTS PURSUANT TO THE RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT PLAN ABSTAINING FROM VOTING, THAT:

1. subject to final acceptance of the TSX Venture Exchange (the “**Exchange**”), the Company’s Restricted Share Unit and Deferred Share Unit Plan (the “**RSU & DSU Plan**”), substantially in the form attached as Schedule “E” to the management information circular of Kodiak Copper Corp. (the “**Company**”) dated April 21, 2021, is hereby approved;
2. the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant restricted share units (“RSUs”) and deferred share units (“DSUs”) pursuant to the RSU & DSU Plan to those eligible to receive RSUs and DSUs thereunder;
3. any one director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
4. notwithstanding that this resolution be passed by the shareholders of the Company, the adoption of the proposed RSU & DSU Plan is conditional upon receipt of final approval of the Exchange, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors of the Company.”

#### *Recommendation of the Board*

**The Board has determined that the RSU & DSU Plan is in the best interests of the Company and its shareholders and unanimously recommends that the Disinterested Shareholders vote in favour of approving the RSU & DSU Plan. In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the RSU & DSU Plan or not to proceed with the RSU & DSU Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and its shareholders and to do so in light of any subsequent event or development occurring after the date of this Information Circular.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company’s Financial Statements and Management Discussion and Analysis may be obtained without charge

upon request from the Company, at the Company's registered and records office at Suite 1020-800 West Pender Street, Vancouver, British Columbia, V6C 2V6, or at 604-646-8351 and such documents will be sent by mail or electronically by email as may be specified at the time of the request. Financial Information about the Company is provided in the Company's Consolidated financial statements and management discussion and analysis for the financial year ended September 30, 2020.

**DIRECTOR APPROVAL**

The contents of this Information Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

DATED at Vancouver, British Columbia, this 21<sup>st</sup> day of April, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS  
KODIAK COPPER CORP.**

*"Tony M. Ricci"*

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**TONY M. RICCI**  
Director and CFO

**SCHEDULE "A"**  
**KODIAK COPPER CORP.**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**

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**PART 1 THE AUDIT COMMITTEE'S CHARTER**

**1.1 Purpose**

The overall purpose of the Audit Committee (the "**Committee**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Company and related financial information, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. In performing its duties, the committee will maintain effective working relationships with the Board of Directors (the "**Board**"), management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

**1.2 Composition, Procedures and Organization**

1. The Committee shall consist of at least three members of the Board.
2. At least two (2) members of the Committee shall be independent<sup>1</sup>, and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. All of the members of the Committee shall be "financially literate"<sup>2</sup>.
4. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
5. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

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<sup>1</sup> "Independent" member of an audit committee means a member who has no direct or indirect material relationship with the Company. A "material relationship" means a relationship which could, in the view of the Company's board of directors, reasonably interfere with the exercise of a member's independent judgement.

<sup>2</sup> "Financially literate" individual is an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

7. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
8. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
  - (c) management representatives may be invited to attend all meetings, except private sessions with the external auditors; and
  - (d) the proceedings of all meetings will be minuted.
9. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.
10. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among its number. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office. Subject to the above, each member of the Committee shall hold office as such until the next Annual General Meeting of the Shareholders after his/her election.
11. The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

### **1.3 Roles and Responsibilities**

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;

- (d) approve in advance provision by the external auditors of services other than auditing;
  - (e) review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (f) discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
  - (g) implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management; and
  - (h) review any significant disagreements between management and the external auditor regarding financial reporting.
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (b) review and approve the internal audit plan; and
  - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (c) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:

- (a) review the Company's quarterly financial statements and related financial information, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- (b) review and approve the financial sections of:
  - (i) the annual report to shareholders;
  - (ii) the annual information form, if required;
  - (iii) annual and interim MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's consolidated financial statements;
- (f) 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;
- (g) 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;
- (h) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (i) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information;
- (j) review and recommend updates to the charter and receive approval of changes from the Board;
- (k) review the minutes of any audit committee of subsidiary companies;
- (l) and perform other functions as requested by the full Board.

## **PART 2 COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Audit Committee are Steven Krause, Chad Ulansky and Kevin Tomlinson. All of the members are financially literate and Independent.

The terms “Independent” and “financially literate” have the meaning used in National Instrument 52-110 (“NI 52-110”) of the Canadian Securities Administrators.

## **PART 3 RELEVANT EDUCATION AND EXPERIENCE**

Based on their business and educational experiences, each Audit Committee member has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection of the accounting for estimates, accruals and reserves; experience analyzing and evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Company’s 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.

The relevant education and/or experience of each member of the Audit Committee is as follows:

**Steven Krause**, Director. Mr. Krause has been a Chartered Professional Accountant in British Columbia since 1997. Mr. Krause has been Chief Financial Officer of a number of TSX Venture Exchange companies as well as the previous Audit Committee Chair of Luna Gold Corp. from 2009 to 2017. Mr. Krause is the president of Avisar Chartered Professional Accountants.

**Chad Ulansky**, Director. Mr. Ulansky holds a BSc. in Geology from the University of Cape Town and commenced his career over 30 years ago working for Dia Met Minerals Ltd. on the project which yielded the Ekati diamond mine. Since then, he has led exploration programs in over 15 countries on four continents and is currently President, Chief Executive Officer and a director of each of Cantex Mine Development Corp., Metalex Ventures Ltd., and Northern Uranium Corp.

**Kevin Tomlinson**, Director. Mr. Tomlinson is the President and CEO of C3 Metals and Non-Executive Chairman of Bellevue Gold. Twenty years as resources investment banker, M&A advisor and company director for companies including Centamin Plc, Orbis Gold and Medusa Mining. Former Chairman of Cardinal Resources, leading its C\$587 million sale to Shandong Gold. Structural geologist and investment banker with over 35 years’ experience in exploration, development and financing of mining projects globally in the North American, Australasian and European markets.

## **PART 4 AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company’s most recently completed financial year was a recommendation by the Audit Committee to nominate or compensate an external auditor (currently, BDO Canada LLP, Chartered Professional Accountants) not been adopted by the Board.

## **PART 5 RELIANCE ON CERTAIN EXEMPTIONS**

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

## **PART 6 PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

**PART 7            EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years are as follows:

	<b><u>FYE 2020</u></b>	<b><u>FYE 2019</u></b>
Audit fees for the year ended	\$45,613.00	\$43,433.00
Audit related fees	Nil	Nil
Tax fees	\$12,060.00	\$9,940.00
All other fees (non-tax)	Nil	Nil
<b>Total Fees:</b>	<b>\$57,673.00</b>	<b>\$53,373.00</b>

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" includes all other non-audit services.

**PART 8            EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**SCHEDULE “B”****KODIAK COPPER CORP.****CORPORATE****GOVERNANCE**

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

**PART 1 BOARD OF DIRECTORS**

The Board of Directors of the Company (the “**Board**”) facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board.

Kevin Tomlinson, Chad Ulansky and Steven Krause, directors of the Company, are “independent” in that they are free from any direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of his independent judgment.

Claudia Tornquist is the President and CEO of the Company and is therefore not independent.

Tony Ricci is the CFO of the Company and is therefore not independent.

Chris Taylor has been an executive officer of the Company within the last three years and is therefore not independent.

**PART 2 DIRECTORSHIPS**

The following directors of the Company are currently directors of the following other reporting issuers:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange</b>
Chris Taylor	Great Bear Resources Ltd.	TSXV
	Great Bear Royalties Corp.	TSXV
Tony Ricci	Great Bear Resources Ltd.	TSXV
	CopperBank Resources Corp.	CSE
Kevin Tomlinson	C3 Metals Inc.	TSXV
	Bellevue Gold Limited	ASX
Claudia Tornquist	Silver One Resources Inc.	TSXV
	Railtown Capital Corp.	TSXV
Chad Ulansky	Metalex Ventures Ltd.	TSXV
	Cantax Mine Development Corp	TSXV

Name of Director	Name of Reporting Issuer	Exchange
	Northern Uranium Corp	TSXV

### **PART 3           ORIENTATION AND CONTINUING EDUCATION**

The Board briefs all new directors with the policies of the Board and other relevant corporate and business information. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up-to-date with developments in relevant corporate and securities law matters.

### **PART 4           ETHICAL BUSINESS CONDUCT**

The Company has implemented a Code of Business Conduct and Ethics as of January 2021. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to certain exceptions, a director is required to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether entered into or proposed, if the director has a material interest in such contract or transaction or is a director or officer of, or has a material interest in, a person who has a material interest in such contract or transaction. A director is not required to disclose to the Board its interest in a contract or transaction in certain situations, including where the contract or transaction merely (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, or (ii) is for indemnity or insurance for the benefit of the director in connection with the Company. If the director abstains from voting after disclosure of their interest and the other directors approve the contract or transaction, the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the transaction must be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability.

### **PART 5           NOMINATION OF DIRECTORS**

The Company's Compensation and Governance Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

### **PART 6           COMPENSATION**

The Board and the Company's Compensation and Governance Committee conduct annual reviews of the compensation of directors, the CEO and other senior executives and consultants. To make its recommendation on CEO and directors' compensation, the Board and the Compensation and Governance Committee take into account the types of compensation and the amounts paid to CEOs and directors of comparable publicly traded Canadian companies.

### **PART 7           OTHER BOARD COMMITTEES**

The Board has no other committees, other than the Audit Committee and Compensation and Governance Committee. The Compensation and Governance Committee is responsible for determining compensation for the directors, the CEO and other senior executives and consultants of the Company.

**PART 8           ASSESSMENTS**

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees or individual directors. These matters are dealt with on a case by case basis at the Board level.

**SCHEDULE "C"**

**NEW ARTICLES**

See attached.

**SCHEDULE "D"**  
**2021 OPTION PLAN**

See attached.

**SCHEDULE "E"**  
**RSU & DSU PLAN**

See attached.

**KODIAK COPPER CORP.**

(the “Company”)

*Incorporation number: BC0320081*

The Company has as its articles the following articles.

Full name and signature of a director or officer of the Company	Date of signing
<hr/> <i>[Signature of Director or Officer]</i> <hr/> <i>[Please Print Full name of Director or Officer]</i> <hr/> <i>[Please Print Relationship to Company]</i>	<hr/> _____, 20●

ARTICLES

(the “Articles”)

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## **1. INTERPRETATION**

### **1.1 Definitions**

In these Articles, unless the context otherwise requires:

- (a) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (b) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) “legal personal representative” means the personal or other legal representative of the shareholder;
- (e) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register; and
- (f) “seal” means the seal of the Company, if any.

### **1.2 Business Corporations Act and Interpretation Act Definitions Applicable**

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## **2. SHARES AND SHARE CERTIFICATES**

### **2.1 Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### **2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### **2.3 Shareholder Entitled to Certificate or Acknowledgment**

Each shareholder is entitled, without charge, to:

- (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name; or
- (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate;

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

### **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

### **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgment, as the case may be.

### **2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

- (a) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (b) any indemnity the directors consider adequate.

### **2.7 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

## **2.8 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount if any, determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

## **2.9 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

## **2.10 Shares May be Uncertificated**

Notwithstanding any other provisions of this Part, the Company may, by resolution of the board of directors, provide that:

- (a) the shares of any or all of the classes and series of the Company's shares may be uncertificated shares; or
- (b) any specified shares may be uncertificated shares.

## **3. ISSUE OF SHARES**

### **3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

### **3.2 Commissions and Discounts**

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

### **3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

### **3.4 Conditions of Issue**

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (i) past services performed for the Company;
  - (ii) property;
  - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

### **3.5 Share Purchase Warrants and Rights**

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **4. SHARE REGISTERS**

### **4.1 Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

### **4.2 Closing Register**

The Company must not at any time close its central securities register.

## **5. SHARE TRANSFERS**

### **5.1 Registering Transfers**

A transfer of a share of the Company must not be registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company or if such certificate has been lost, stolen or destroyed, the documents required under Article 2.6 have been provided to the Company; and
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company or if such acknowledgement has

been lost, stolen or destroyed, the documents required under Article 2.6 have been provided to the Company.

## **5.2 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

## **5.3 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

## **5.4 Signing of Instrument of Transfer**

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

## **5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

## **5.6 Transfer Fee**

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **5.7 Definitions**

In this Article 5:

- (a) "designated security" means:
  - (i) a voting security of the Company;

- (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
- (iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph 5.7(a)(i) or 5.7(a)(ii);
- (b) “security” has the meaning assigned in the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) “voting security” means a security of the Company that:
  - (i) is not a debt security, and
  - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

## **5.8 Consent Required for Transfer of Shares or Designated Securities**

Notwithstanding any other provision of these Articles, while the Company is, or becomes, a company which is not a reporting issuer as defined in the *Securities Act* (*British Columbia*), no share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

## **6. TRANSMISSION OF SHARES**

### **6.1 Legal Personal Representative Recognized on Death**

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder’s interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

### **6.2 Rights of Legal Personal Representative**

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

## **7. ACQUISITION OF SHARES**

### **7.1 Company Authorized to Acquire Shares**

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by a resolution of the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

## **7.2 Acquisition When Insolvent**

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

## **7.3 Sale and Voting of Acquired Shares**

If the Company retains a share purchased, redeemed, or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

## **8. BORROWING POWERS**

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## **9. ALTERATIONS**

### **9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by resolution of the board of directors:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of the unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

The Company may, by resolution of the board of directors, authorize and cause the Company to alter its Notice of Articles and Articles, as applicable, to reflect any change in the authorized share structure of the Company pursuant to Article 9.1 or otherwise.

## **9.2 Special Rights and Restrictions**

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued,

and alter its Notice of Articles and Articles accordingly.

## **9.2 No Alteration Without Class or Series Consent**

Notwithstanding anything else contained in this Part 9, no right or special right attached to issued shares may be prejudiced or interfered with unless the shareholders holding shares of the class or series of shares to which the right or special right is attached consent by a separate special resolution of those shareholders.

## **9.3 Change of Name**

The Company may by resolution of the board of directors authorize an alteration of its Notice of Articles in order to change its name and may, by resolution of the board of directors, adopt or change any translation of that name.

## **9.4 Other Alterations**

If the *Business Corporations Act* does not specify:

- (a) the type of resolution and these Articles do not specify another type of resolution, the Company may by resolution of the directors or by ordinary resolution authorize any act of the Company, including without limitation, an alteration of these Articles; or
- (b) the type of shareholders' resolution and these Articles do not specify another type of shareholders' resolution, the Company may by ordinary resolution authorize any act of the Company.

## **10. MEETINGS OF SHAREHOLDERS**

### **10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

### **10.2 Location of Meetings of Shareholders**

The directors may, by directors' resolution, approve a location outside British Columbia for the holding of a meeting of shareholders of the Company.

### **10.3 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.3, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

### **10.4 Calling of Meetings of Shareholders**

The directors may, whenever they think fit, call a meeting of shareholders.

### **10.5 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) while the Company is, or becomes, a public company, 21 days;
- (b) otherwise, 10 days.

## **10.6 Notice of Dissent Rights**

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

- (a) while the Company is, or becomes, a public company, 21 days;
- (b) otherwise, 10 days.

## **10.7 Record Date for Notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) while the Company is, or becomes, a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. Pacific Standard Time on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

## **10.8 Record Date for Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. Pacific Standard Time on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

## **10.9 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

## **10.10 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a

copy of the document or state that a copy of the document will be available for inspection by shareholders:

- (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
- (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

## **11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

### **11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
  - (i) business relating to the conduct of or voting at the meeting;
  - (ii) consideration of any financial statements of the Company presented to the meeting;
  - (iii) consideration of any reports of the directors or auditor;
  - (iv) the setting or changing of the number of directors;
  - (v) the election or appointment of directors;
  - (vi) the appointment of an auditor;
  - (vii) the setting of the remuneration of an auditor;
  - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
  - (ix) annual ratification of a rolling stock option plan pursuant to the requirements of the TSX Venture Exchange; and
  - (x) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

### **11.3 Quorum**

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares of the Company entitled to be voted at the meeting.

#### **11.4 One Shareholder May Constitute Quorum**

If the Company has only one shareholder:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

#### **11.5 Other Persons May Attend**

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

#### **11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present in person or by proxy at the commencement of the meeting, but such quorum need not be present throughout the meeting.

#### **11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

#### **11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

#### **11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or

- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

#### **11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

#### **11.11 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

#### **11.13 Decisions by Show of Hands or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

#### **11.14 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

#### **11.15 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

#### **11.16 Casting Vote**

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

#### **11.17 Manner of Taking Poll**

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
  - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

#### **11.18 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

#### **11.19 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

#### **11.20 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

#### **11.21 Demand for Poll**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

#### **11.22 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### **11.23 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

#### **11.24 Meetings by Telephone or Other Communications Medium**

A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this Section shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting of shareholders in a manner contemplated by this Article 11.24:

- (a) each such shareholder or proxy holder shall be deemed to be present at the meeting; and
- (b) the meeting shall be deemed to be held at the location specified in the notice of the meeting.

## **12. VOTES OF SHAREHOLDERS**

### **12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

### **12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

### **12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

### **12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

### **12.5 Representative of a Corporate Shareholder**

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:
  - (i) be received at the registered office of the Company or at any other place specified in the notice calling the meeting for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of

days is specified, two business days before the day set for the holding of the meeting; or

- (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting; and
- (b) if a representative is appointed under this Article 12.5:
- (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

#### **12.6 Proxy Provisions Do Not Apply to All Companies**

Articles 12.7 to 12.14 do not apply to the Company if and for so long as it is:

- (a) a public company; or
- (b) a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

#### **12.7 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

#### **12.8 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

#### **12.9 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

**12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

**12.11 Form of Proxy**

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

<p><b>(NAME OF COMPANY)</b> (the “Company”)</p>
<p>The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.</p>
<p>Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____</p>
<p>Signed [month, day, year]</p>
<p>_____</p> <p>[Signature of shareholder]</p>
<p>_____</p> <p>[Name of shareholder—printed]</p>

**12.12 Revocation of Proxy**

Subject to Article 12.13, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

### **12.13 Revocation of Proxy Must Be Signed**

An instrument referred to in Article 12.12 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

### **12.14 Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

### **12.15 Production of Evidence of Authority to Vote**

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

## **13. DIRECTORS**

### **13.1 First Directors; Number of Directors**

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs 13.1(b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is, or becomes, a public company, the greater of three and the most recent set of:
  - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

- (ii) the number of directors set under Article 14.4.
- (c) if the Company is, or becomes, a company which is not a public company the most recent set of:
  - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors set under Article 14.4.

### **13.2 Change in Number of Directors**

If the number of directors is set under Article 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

### **13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

### **13.4 Qualifications of Directors**

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

### **13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

### **13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

### **13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

### **13.8 Gratuity, Pension or Allowance on Retirement of Director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## **14. ELECTION AND REMOVAL OF DIRECTORS**

### **14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article 10.3:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph 14.1(a), but are eligible for re-election or re-appointment.

### **14.2 Consent to be a Director**

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

### **14.3 Failure to Elect or Appoint Directors**

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.3, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.3, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and
- (d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

### **14.4 Places of Retiring Directors Not Filled**

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

#### **14.5 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

#### **14.6 Remaining Directors' Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

#### **14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.8 Additional Directors**

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.3, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

#### **14.9 Ceasing to be a Director**

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

#### **14.10 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

#### **14.11 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

### **15. ALTERNATE DIRECTORS**

#### **15.1 Appointment of Alternate Director**

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

#### **15.2 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

#### **15.3 Alternate for More Than One Director Attending Meetings**

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

#### **15.4 Consent Resolutions**

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

#### **15.5 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of his or her appointor.

#### **15.6 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

#### **15.7 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) his or her appointor revokes the appointment of the alternate director.

#### **15.8 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

### **16. POWERS AND DUTIES OF DIRECTORS**

#### **16.1 Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

#### **16.2 Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such

attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

### **16.3 Setting Remuneration of the Auditor**

The directors, or if the directors delegate this responsibility to an audit committee of the directors, the audit committee, may from time to time determine the remuneration to be paid by the Company to the auditor, in such manner and upon such terms and conditions, as the directors or the audit committee, in their absolute discretion, may determine.

## **17. DISCLOSURE OF INTEREST OF DIRECTORS**

### **17.1 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

### **17.2 Restrictions on Voting by Reason of Interest**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### **17.3 Interested Director Counted in Quorum**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### **17.4 Disclosure of Conflict of Interest or Property**

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

### **17.5 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

### **17.6 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

### **17.7 Professional Services by Director or Officer**

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

### **17.8 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## **18. PROCEEDINGS of Directors**

### **18.1 Meetings of Directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

### **18.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **18.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director;  
or
- (c) any other director chosen by the directors if:
  - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
  - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

### **18.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting

of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **18.5 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

### **18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

### **18.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director or alternate director, as the case may be, has waived notice of the meeting.

### **18.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

### **18.9 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

### **18.10 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by resolution of the directors and, if not so set, is deemed to be a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

### **18.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

### **18.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **19. EXECUTIVE AND OTHER COMMITTEES**

### **19.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph 19.2(a) any of the directors' powers, except:
  - (i) the power to fill vacancies in the board of directors;
  - (ii) the power to remove a director;
  - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

- (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph 19.2(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **19.3 Obligations of Committees**

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

### **19.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

### **19.5 Committee Meetings**

Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## **20. OFFICERS**

### **20.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

### **20.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

### **20.3 Qualifications**

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

### **20.4 Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## **21. INDEMNIFICATION**

### **21.1 Definitions**

In this Article 21:

- (a) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
  - (i) is or may be joined as a party; or
  - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding; and
- (c) “expenses” has the meaning set out in the *Business Corporations Act*.

### **21.2 Mandatory Indemnification of Directors and Former Directors**

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that

proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

### **21.3 Indemnification of Other Persons**

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

### **21.4 Non-Compliance with *Business Corporations Act***

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

### **21.5 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

## **22. DIVIDENDS**

### **22.1 Payment of Dividends Subject to Special Rights**

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

### **22.2 Declaration of Dividends**

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

### **22.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 22.2.

### **22.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be

paid by more than two months. If no record date is set, the record date is 5 p.m. Pacific Standard Time on the date on which the directors pass the resolution declaring the dividend.

### **22.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

### **22.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

### **22.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

### **22.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

### **22.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

### **22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

### **22.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

### **22.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required

by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

### **22.13 Capitalization of Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

## **23. DOCUMENTS, RECORDS AND REPORTS**

### **23.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

### **23.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

## **24. NOTICES**

### **24.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
  - (i) for a record mailed to a shareholder, the shareholder's registered address;
  - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
  - (i) for a record delivered to a shareholder, the shareholder's registered address;
  - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the delivery address of the intended recipient;

- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) making the record available for public electronic access in accordance with the procedures referred to as "notice-and-access" under National Instrument 54-101 and National Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with any similar electronic delivery or access method permitted by applicable securities legislation from time to time; and
- (f) physical delivery to the intended recipient.

#### **24.2 Deemed Receipt**

A notice, statement, report or other record that is:

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the date it was e-mailed; and
- (d) made available for public electronic access in accordance with the "notice-and-access" or similar delivery procedures referred to in Article 24.1(e) is deemed to be received by a person on the date it was made available for public electronic access.

#### **24.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

#### **24.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

#### **24.5 Notice to Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:

- (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph 24.5(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

## **25. SEAL**

### **25.1 Who May Attest Seal**

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

### **25.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

### **25.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## **26. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO COMMON SHARES**

The common shares of the Company shall have attached thereto the following rights, privileges, restrictions and conditions:

- (a) the holders of the common shares shall be entitled to receive notice of and attend all meetings of the shareholders of the Company and shall have one vote for each common share held at all meetings of the shareholder of the Company, except meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series;
- (b) subject to the prior rights of the holders of any other shares ranking senior to the common shares with respect to priority in the payment of dividends, the holders of common shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company from time to time determine and all dividends which the board of directors of the Company may declare upon the common shares shall be declared and paid in equal amounts per share on all common shares at the time outstanding; and
- (c) in the event of dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company and its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of any other shares ranking senior to the common shares with respect to priority in the distribution of assets upon dissolution, liquidation, winding-up or distribution for the purpose of winding-up, the holders of the common shares shall be entitled to receive the remaining property and assets of the Company in equal amounts per share on all common shares at the time outstanding.

## **27. ADVANCE NOTICE PROVISIONS**

### **27.1 Nomination of Directors**

- (a) Nominations of persons for election to the board may be made at any Annual Meeting of Shareholders or at any Special Meeting of Shareholders if one of the purposes for which the Special Meeting was called was the election of directors. In order to be eligible for election to the board at any Annual Meeting or Special Meeting of Shareholders, persons must be nominated in accordance with one of the following procedures:
  - (i) by or at the direction of the board or an authorized officer, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the Shareholders made in accordance with the provisions of the *Business Corporations Act*; or
  - (iii) by any person (a “Nominating Shareholder”): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 27.1 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 27.1.

- (b) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give notice which is both timely (in accordance with Article 27.1(c) below) and in proper written form (in accordance with Article 27.1(d) below to the Secretary of the Company at the principal executive offices of the Company.
- (c) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be timely if:
  - (i) in the case of an Annual Meeting of Shareholders, such notice is made not less than 30 nor more than 65 days prior to the date of the Annual Meeting of Shareholders; provided, however, that in the event that the Annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first Public Announcement of the date of the Annual Meeting is made, notice by the Nominating Shareholder is made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a Special Meeting (which is not also an Annual Meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the fifteenth (15th) day following the day on which the first Public Announcement of the date of the Special Meeting of Shareholders was made. Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement of this Article 27.1(c)(ii).

For greater certainty, the time periods for the giving of notice by a Nominating Shareholder as aforesaid shall, in all cases, be determined based on the original date of the applicable Annual Meeting or Special Meeting, and in no event shall any adjournment or postponement of an Annual Meeting or Special Meeting or the announcement thereof commence a new time period for the giving of such notice.

- (d) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be in proper form if:
  - (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, such notice sets forth: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
  - (ii) as to the Nominating Shareholder giving the notice, such notice sets forth any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of

proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

- (e) The Company may require any proposed nominee for election as a director to furnish such additional information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 27.1; provided, however, that nothing in this Article 27.1 shall be deemed to restrict or preclude discussion by a Shareholder (as distinct from the nomination of directors) at an Annual Meeting or Special Meeting of any matter that is properly brought before such meeting pursuant to the provisions of the *Business Corporations Act* or at the discretion of the Chairman of the meeting. The Chairman of the meeting shall have the power and duty to determine whether any nomination for election of a director was made in accordance with the procedures set forth in this Article 27.1 and, if any proposed nomination is not in compliance with such procedures, to declare such nomination defective and that it be disregarded.
- (g) For purposes of this Article 27:
  - (i) "Annual Meeting" means any annual meeting of Shareholders;
  - (ii) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such laws and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar securities regulatory authority of each province and territory of Canada;
  - (iii) "Common Shares" means common shares in the capital of the Company;
  - (iv) "Public Announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com);
  - (v) "Shareholder" means a holder of Commons Shares; and
  - (vi) "Special Meeting" means any special meeting of Shareholders if one of the purposes for which such meeting is called is the election of directors.
- (h) Notwithstanding any other provision of this Article 27.1, notice given to the Corporate Secretary of the Company pursuant to this Article 27.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this Article 27.1), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided

that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

**27.2** Application

- (a) Article 27.1 does not apply to the Company in the following circumstances:
  - (i) if and for so long as the Company is not a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply; or
  - (ii) to the election or appointment of a director or directors in the circumstances set forth in Article 14.7.
- (b) Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or make or cause to be delivered or made all such filings and documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.

**STOCK OPTION PLAN**  
**KODIAK COPPER CORP.**

**ARTICLE 1**  
**PURPOSE**

- 1.1 **Purpose.** The purpose of the Plan (as defined herein) of the Corporation is to advance the interests of the Corporation and its Affiliates by (a) attracting, rewarding and retaining highly competent persons as Employees, Officers, Directors, and Consultants; (b) providing additional incentives to Employees, Officers, Directors, and Consultants as determined by the Board by aligning their interests with those of the Corporation's shareholders; and (c) promoting the success of the Corporation's business.
- 1.2 **Effective Date and Replacement.** The Plan shall become effective upon the receipt of all required shareholder and regulatory approvals (the "**Effective Date**") and will replace the Stock Option Plan of the Corporation dated April 11, 2011 (the "**Prior Plan**"). All awards granted under the Prior Plan and which remain outstanding at the Effective Date will remain in full force and effect in accordance with their terms; however, following the Effective Date, no additional grants shall be made under the Prior Plan, and the Prior Plan will terminate on the date upon which no further Outstanding Options (as defined herein) remain outstanding.

**ARTICLE 2**  
**DEFINED TERMS**

- 2.1 **Definitions.** The following terms used herein shall have the following meanings:

"**Affiliate**" means an entity which is an "affiliate" of the Corporation for the purposes of the Securities Act;

"**Associate**" has the meaning given to such term in Policy 1.1 – *Interpretation* of the TSXV Manual;

"**Award**" means an Option(s) granted pursuant to the Plan;

"**Black-Out Period**" means a time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons, including any holder of an Award, as designated by the Corporation as a result of undisclosed material information concerning the Corporation;

"**Board**" means the board of directors of the Corporation or, if established and duly authorized to act in respect of the Plan, a committee of the board of directors of the Corporation;

"**Business Day**" means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;

"**Change of Control**" means the occurrence of any of the following:

- (i) the acquisition by any Person (whether from the Corporation or from any other Person) of Shares or other securities of the Corporation having rights of purchase, conversion or exchange into Shares which together with securities of the Corporation held by such Person, either alone or together with Persons "acting jointly or in concert" (as such phrase is defined by the Securities Act) with such Person, exceeds 50% of the issued and outstanding Shares, (assuming for this test the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Shares, such Person or Persons would be entitled to);
- (ii) the amalgamation of the Corporation with or into any one or more other corporations (other than: (a) an amalgamation of the Corporation with or into a subsidiary (as such term is defined in the Securities Act) of the Corporation; or (b) an amalgamation or merger of the Corporation unanimously recommended by the Board provided that the former holders of Shares receive, in the aggregate and in their capacities as such, shares of the amalgamated corporation having attached thereto not less than 50% of the votes attached to all shares of such amalgamated or merged corporation);
- (iii) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board, who are not included in the slate or election as directors proposed to the Corporation's shareholders by the Corporation; or
- (iv) the completion of any transaction or the first of a series of transaction which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i) and (ii) referred to above;

**"Common Shares"** means the common shares of the Corporation;

**"Consultant"** means an individual (other than a Director, Officer or Employee of the Corporation or an Affiliate) who:

- (i) provides ongoing consulting, technical, management or other services to the Corporation or an Affiliate other than services provided in relation to a "distribution" (as such term is defined in the Securities Act), under a written contract with the Corporation or an Affiliate;
- (ii) possesses technical, business or management expertise of value to the Corporation or an Affiliate;
- (iii) in the opinion of the Corporation, spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate;
- (iv) has a relationship with the Corporation or an Affiliate that enables the Consultant to be knowledgeable about the business and affairs of the Corporation; and
- (v) includes a Consultant Company or a Consultant Partnership.

**"Consultant Company"** means, for an individual Consultant, a company of which the individual consultant is an employee or shareholder;

**"Consultant Partnership"** means, for an individual Consultant, a partnership of which the individual Consultant is an employee or partner;

**"Corporation"** means Kodiak Copper Corp., a corporation incorporated under the laws of the Province of British Columbia, and any successor corporation;

**"Director"** means a member of the board of directors of the Corporation or of any of its Affiliates;

**"Eligible Person"** means, subject to all applicable laws, any Employee, Officer, Director, Management Company Employee or Consultant of the Corporation or of any Affiliate;

**"Employee"** means,

- (i) an individual who is considered an employee of the Corporation or an Affiliate under the Income Tax Act (i.e. for whom income tax employment insurance and Canada Pension Plan deductions must be made at source);
- (ii) an individual who works full-time for the Corporation or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or an Affiliate over the details and method of work as an employee of the Corporation or an Affiliate, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week providing services normally proved by an employee and who is subject to the same control and direction by the Corporation or an Affiliate over the details and methods of work as an employee of the Corporation or an Affiliate, but for whom income tax deductions are not made at source; and
- (iv) includes an issuer all of the voting securities of which are owned by one or more Officers, Directors or Employees of the Corporation or an Affiliate;

**"Exchange"** means the TSX Venture Exchange (TSXV) or, if the Shares are not then listed and posted for trading on the TSXV, on such stock exchange in Canada on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;

**"Insider"** has the meaning given to such term in Policy 1.1 – *Interpretation* of the TSXV Manual;

**"Investor Relations Activities"** has the meaning given to such term in Policy 1.1 – *Interpretation* of the TSXV Manual;

**"Management Company Employee"** means an individual employed by a person providing management services to the Corporation who is required for the ongoing successful operation of the business enterprise of the Corporation but excluding a person engaged in Investor Relations Activities;

**“Market Price”** as at any date means the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the relevant date, calculated by dividing the total value by the total volume of Shares traded for the relevant period, rounded up to the nearest cent. In the event that the Shares are not then listed and posted for trading on any Exchange, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the reasonable application by the Board of a reasonable valuation method;

**“Offer”** has the meaning set out in Section 6.1;

**“Officer”** means an officer (as such term is defined in the Securities Act) of the Corporation or an Affiliate;

**“Option”** means an option granted to purchase Shares for the Option Price under the terms of the Plan;

**“Option Price”** means the price per share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with Article 6 hereof;

**“Outstanding Option”** has the meaning given to such term in Section 4.1;

**“Participant”** means an Eligible Person who holds an Award under the terms of the Plan;

**“Plan”** means this Option plan, as the same may be amended from time to time;

**“Promoter”** has the meaning given to such term in Policy 1.1 – *Interpretation* of the TSXV Manual;

**“Securities Act”** means the *Securities Act* (British Columbia) as in force from time to time;

**“Shareholder”** means a holder of Common Shares;

**“Shares”** mean the common shares of the Corporation as currently constituted or, in the event of an adjustment as contemplated by Article 6, such other shares or securities to which a Participant may be entitled or on which the value of an Award may be based, as a result of such adjustment;

**“Tax Act”** means the *Income Tax Act* (Canada) as amended from time to time;

**“Termination Date”** means the date a Participant ceases to be an Eligible Person and, unless otherwise provided herein, does not include any period of statutory, contractual or reasonable notice or any period of salary continuance or deemed employment;

**“TSXV”** means the TSX Venture Exchange; and

**“TSXV Manual”** means the TSXV Corporate Finance Manual.

### **ARTICLE 3 ADMINISTRATION OF THE PLAN**

- 3.1 **General.** The Plan shall be administered by the Board which shall have the power, subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
- (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Award granted pursuant to the Plan, where every such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
- (c) to determine the Eligible Persons to whom Awards are granted and to grant Awards;
- (d) to determine the number of Awards;
- (e) to determine the Option Price, provided that the Option Price is in accordance with the terms of the Plan;
- (f) to determine the time or times when Awards will be granted and exercisable;
- (g) to determine if the Shares that are subject to an Award will be subject to any restrictions upon the exercise of such Award;
- (h) to prescribe the form of the instruments or award agreements relating to the grant, exercise and other terms of Awards;
- (i) to determine whether, to what extent, and under what circumstances an Award may be settled in cash, through a cashless exercise pursuant to Section 6.4 or broker-assisted cashless exercise pursuant to Section 7.7(b), or otherwise;
- (j) to correct any defect (including but not limited to amending an award agreement to comply with applicable law), supply any omission, or reconcile any inconsistency in the Plan or any award agreement in the manner and to the extent it shall deem desirable to carry out the purposes of the Plan;
- (k) to authorize withholding arrangements pursuant to Section 9.4 of the Plan;
- (l) to authorize any person to execute on behalf of the Corporation any instrument required to effect the grant of an Award previously granted by the Board; and
- (m) to make all other determinations and take all other actions described in the Plan or as the Board otherwise deems necessary or advisable for administering the Plan and effectuating its purposes.

The powers described in this Section 3.1 shall be exercised in accordance with applicable securities laws and the rules and policies of the Exchange.

- 3.2 **Delegation of Administration.** The Board may, from time to time, delegate the administration of all or any part of the Plan to a committee of the Board and shall determine the scope of and may revoke or amend such delegation.
- 3.3 **Award Agreement.** Each Participant shall execute an award agreement in the form determined by the Board from time to time. In the event of any inconsistency between the terms of any award agreement and this Plan, the terms of this Plan shall govern.

- 3.4 **Awards May be Separate or in Tandem.** In the Board's discretion, Awards may be granted alone, in addition to, or in tandem with any other Award or any award granted under all other security-based compensation arrangements of the Corporation or an Affiliate. Awards granted in addition to or in tandem with other awards may be granted either at the same time or at different times.

#### ARTICLE 4 SHARES SUBJECT TO THE PLAN

- 4.1 **Shares Subject to the Plan.** The Shares to be subject to or related to Awards under the Plan will be authorized and unissued Shares of the Corporation. The maximum number of Shares that are issuable to Eligible Persons under Awards subject to this Plan is that number of Shares equal to 10% of the issued and outstanding Shares from time to time. There are 3,483,000 Options (the "**Outstanding Options**") outstanding on the date hereof which were granted under the Prior Plan, which will remain in full force and effect in accordance with their terms. The number of Shares issuable upon exercise of the Outstanding Options shall be included in the calculation of the maximum number of Shares issuable pursuant to Options.
- 4.2 **Terminated or Cancelled Options.** If any Option expires or is otherwise cancelled or terminated for any reason without having been exercised in full, the number of Shares in respect of such expired or cancelled or terminated Option shall again be available for the purposes of granting Options pursuant to the Plan.
- 4.3 **Awards to Insiders.** If the Corporation is listed on the TSXV, under no circumstances shall the Plan, together with all other security-based compensation arrangements of the Corporation, result, at any time, in:
- (a) the number of Shares issuable to Insiders (as a group) exceeding ten percent (10%) of the issued and outstanding Shares (on a non-diluted basis), unless the Corporation has obtained disinterested shareholder approval as required by the TSXV; or
  - (b) the issuance to Insiders (as a group), within any 12 month period, of a number of Shares exceeding ten percent (10%) of the issued and outstanding Shares (on a non-diluted basis) calculated as at a date any security-based compensation is granted or issued to any Insider, unless the Corporation has obtained disinterested shareholder approval as required by the TSXV.
- 4.4 **Maximum Awards.** If the Corporation is listed on the TSXV, the following limitations shall apply to the Plan so long as such limitations are required by the TSXV:
- (a) the maximum number of Shares which may be issuable pursuant to all security-based compensation arrangements of the Corporation in any 12 month period to any one Eligible Person (or any companies that are wholly-owned by that person) must not exceed five percent (5%) of the issued and outstanding Shares (on a non-diluted basis) calculated as at a date any security-based compensation is granted or issued to the Eligible Person, unless the Corporation has obtained disinterested shareholder approval as required by the TSXV; and

- (b) the maximum number of Shares which may be issuable pursuant to all security-based compensation arrangements of the Corporation in any 12 month period to any one Consultant must not exceed two percent (2%) of the issued and outstanding Shares (on a non-diluted basis) calculated as at a date any security-based compensation is granted or issued to the Consultant.

4.5 **Restrictions on Exercise.** Notwithstanding any of the provisions contained in the Plan or any Award, the Corporation's obligation to issue Shares to a Participant pursuant to the exercise of an Award shall be subject to:

- (a) the completion of such registration or other qualification of such Shares or the approval of the Exchange or such other regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on the Exchange; and
- (c) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Corporation shall, the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain necessary shareholder, regulatory or stock exchange approval, then the obligation of the Corporation to issue such Shares shall terminate and any amounts paid by the Participant to the Corporation to exercise an Award shall be returned to the Participant.

4.6 **Non-Assignable.** An Award is personal to the Participant and is non-assignable and non-transferable, except with the prior written consent of the Corporation and any required consent of the Exchange and any other applicable regulatory authority. Notwithstanding the foregoing, an Award granted to a Consultant that is a company or partnership, may be assigned to a Management Company Employee of such Consultant.

4.7 **Substitute Awards.** Subject to TSXV approval, the Board may grant Awards under the Plan in substitution for share and share-based awards held by employees, directors, consultants or advisors of another company (an "**Acquired Company**") in connection with a merger, consolidation or similar transaction involving such Acquired Company and the Corporation or an Affiliate or the acquisition by the Corporation or an Affiliate of property or stock of the Acquired Company. The Board may direct that the substitute Awards be granted on such terms and conditions as the Board considers appropriate in the circumstances, subject to the approval of the TSXV.

## **ARTICLE 5 ELIGIBILITY AND CEASING TO BE AN ELIGIBLE PERSON**

5.1 **Eligible Persons.** Awards may only be granted to Eligible Persons. For greater certainty, a Participant must be a bone fide Director, Officer, Employee, Management Company

Employee or Consultant of the Corporation or an Affiliate at the time the Award is granted or issued in order to be eligible for the grant or the issuance of an Award.

- 5.2 **Compliance with Laws.** Notwithstanding any provision contained in this Plan, no Participant may exercise any Award granted under this Plan and no Shares may be issued upon exercise of an Award unless such exercise and issuance are in compliance with all applicable securities laws or other legislation of the jurisdiction of residence of such person and in compliance with the terms of the Plan. Unless the potential Participant is a resident of Canada, the Corporation may require, as a condition of the grant of an Award, that the potential Participant provide a written acknowledgement that the grant of the Award does not violate any such laws.
- 5.3 **Termination Date.** Subject to Section 5.4, 5.5 and 5.6 and any express resolution passed by the Board, all Awards, and all rights to acquire Shares pursuant thereto, granted to an Eligible Person shall expire and terminate immediately upon the Participant's Termination Date.
- 5.4 **Circumstances When Awards are Exercisable.** If, before the expiry of an Award in accordance with the terms thereof, a Participant ceases to be an Eligible Person for any reason whatsoever, other than termination by the Corporation for cause (in which case all unexercised or Awards (vested or unvested) shall cease immediately), such Awards may, subject to:

- (a) the terms set out in the award agreement;
- (b) any determination made by the Board to accelerate the vesting of or to extend the expiry of an Award (provided that any extension of the expiry of an award cannot exceed 12 months from the date the Participant ceases to be an Eligible Person); and
- (c) any other terms of the Plan,

be exercised, as applicable;

- (d) if the Participant is deceased, by the heirs of the Participant or by legal personal representative(s) of the estate of the Participant at any time within 12 months following the death of the Participant; or
- (e) by the Participant at any time within ninety (90) days following the Termination Date.

But, in any case, subject to any determination of the Board, the exercise of the Award must be prior to the expiry date of the Option in accordance with the terms thereof, and only to the extent that the Award was vested and the Participant was otherwise entitled to exercise the Award at the Termination Date, subject to any determination by the Board to accelerate the vesting of an Award or extend the expiry of an Award.

5.5 **Death or Termination of Employment or Engagement.**

- (a) Notwithstanding Section 5.4, in the event of the death of a Participant while in the employment or engagement of the Corporation or any Affiliate, all Awards granted

to that Participant prior to the date of death shall be deemed to be vested in the Participant on the date of death.

- (b) Except as specifically provided for in this Plan or in any award agreement, or as otherwise agreed to or determined by the Board, if the employment or engagement of a Participant with the Corporation or any Affiliate is terminated for any reason prior to the exercise or redemption of any Award, then the Participant shall be deemed to have forfeited all right, title and interest with respect to any Award not fully vested upon that Participant's last day of such employment which shall be considered to be:
  - (i) if the Participant is terminated for just cause, the actual date of termination; and
  - (ii) if the Participant is terminated for reasons other than just cause, the date which is the later of: (i) the conclusion of any statutory, contractual or common law period of notice of termination of employment to which that Participant is entitled; and (ii) 90 days after the Termination Date.
- (c) Notwithstanding the foregoing, in the event that a Participant's employment or engagement with the Corporation or any Affiliate is terminated without just cause or if the Participant resigns from such employment or engagement then, at the sole and unfettered discretion of the Board, all or any portion of the Awards granted to that Participant may be deemed to have vested on the date of termination or resignation.

5.6 **Another Listed Category.** Awards shall not be affected in the event the Participant ceases to fall within a listed category contained in the definition of an "Eligible Person" hereunder where such Participant falls within another listed category of such definition.

## ARTICLE 6 CERTAIN ADJUSTMENTS

6.1 **Offer for Shares.** In the event that any take-over bid (as defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*) for the Shares is made (an "Offer") all Shares subject to outstanding Options not then exercisable shall thereupon become immediately exercisable. Further, the Participant shall be entitled to include in the written notice of election to exercise all or any part of the Option that such Participant is electing to exercise the Option with the intention of tendering the Shares acquired upon such exercise into the Offer. If such election is made, in the event that the Offer is not completed and the relevant Shares are not taken up and paid for by the offeror under such Offer (or a competing Offer), the Participant shall, upon return of certificates representing such Shares, be deemed not to have exercised the Option with respect to such Shares and the Corporation shall return to the Participant the subscription proceeds therefor and/or take such other actions to enable the parties to re-establish as closely as possible their situations and respective economic positions as they existed prior to the making of the Offer and had no Options become exercisable as a result thereof, while making allowance for taxation, regulatory and other irreversible events and consequences which may have intervened since the making of the Offer.

6.2 **Changes in Shares.** In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, acquisition, divestiture, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to

shareholders, or any other change in the capital of the Corporation affecting Shares, the Board will, subject to TSXV approval, make such proportionate adjustments, if any, as the Board in its discretion may deem appropriate to reflect such change, with respect to (i) the number or kind of Shares or other securities reserved for issuance pursuant to this Plan; (ii) the number or kind of Shares or other securities subject to unexercised or unredeemed Awards previously granted; and (iii) the Option Price or the Market Price of a Share at the date of grant, as applicable, of Awards.

- 6.3 **No Fractional Shares.** The Corporation will not issue fractional Shares in satisfaction of any of its obligations hereunder.
- 6.4 **Payment on Change of Control.** Notwithstanding any other provisions of the Plan, in the event of the occurrence of a Change of Control of the Corporation of which a Participant is an Eligible Person, with respect to all Options that are outstanding for such Participant on the date of the Change of Control (the “**CoC Date**”), (i) all vesting criteria, if any, applicable to such Options shall be deemed to have been satisfied as of the CoC Date and (ii) except as may be otherwise provided under the terms of any other employee benefit plan approved by the Board, each Participant who has received any such Options and whose employment or consulting arrangement with the Corporation or an Affiliate of the Corporation immediately following the Change of Control is terminated shall be entitled to receive, in full settlement of such Option, the difference between the Special Value and the Option Price in respect of such Option, payable on the date which is ten Business Days following the CoC Date.

For the purpose of this Section 6.4, the term “**Special Value**” means an amount which, subject to acceptance of the TSXV and the determination of the Board, is determined as follows: (i) if any Shares are sold as part of the transaction constituting the Change of Control, then the Special Value shall equal the weighted average of the prices paid for those Shares by the acquirer, provided that if any portion of the consideration paid for such Shares by the acquirer is paid in property other than cash, then the Board (as constituted immediately prior to the CoC Date) shall determine the fair market value of such property as of the CoC Date for purposes of determining the Special Value; and (ii) if no Shares are sold as part of the transaction constituting the Change of Control, then the Special Value shall be the Market Price of a Share on the day immediately preceding the CoC Date.

## **ARTICLE 7 OPTIONS**

- 7.1 **Grant of Options.** The Board may grant Options to Eligible Persons.
- 7.2 **Option Exercise Term.** Options shall be exercisable from time to time as determined in the discretion of the Board at the time of grant, provided that, subject to Section 7.3, no Option shall have a term exceeding ten (10) years (or such shorter period as is required by the Exchange from time to time).
- 7.3 **Black-Out Period.** Except where not permitted by the Exchange, where an Option would expire during a Black-Out Period or within ten (10) Business Days following the end of a Black-Out Period, the term of such Option shall be automatically extended to the date which is ten (10) Business Days following the end of such Black-Out Period.

- 7.4 **Terms of Options.** Subject to this Article, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions (including vesting) relating to each such Option shall be determined by the Board; provided, however, that if no specific determination is made by the Board with respect to any of the following matters, each Option shall, subject to any other specific provisions of the Plan, contain the following terms and conditions:
- (a) no Option shall have a term exceeding then (10) years from the date the Option is granted to the Participant (or such shorter period as is required by the Exchange from time to time);
  - (b) subject to a minimum exercise price per Share as is required pursuant to the policies of the Exchange, the Option Price shall not be less than the closing price of a Share on the Exchange immediately preceding the day on which the Board grants the Options(s), less the discount to the closing price permitted by the Exchange; and
  - (c) except as provided in Section 8.1(b) and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.
- 7.5 **Restrictions on Option Price.** The Option Price shall in no circumstances be lower than the greater of: (i) the minimum price required by the Exchange that applies to the Corporation on the date of the grant of the Option; and (ii) the closing price of a Share on the Exchange immediately preceding the day on which the Board grants the Options(s), less the discount to the closing price permitted by the Exchange.
- 7.6 **Exercise of Options.** Subject to the provisions of the Plan and award agreement, an Option may be exercised from time to time by delivery to the Corporation at its principal office of a written notice of exercise addressed to the Chief Financial Officer of the Corporation in a form approved by the Board from time to time and accompanied by payment in full of the Option Price for the Shares to be purchased. Upon receipt of payment in full and subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued to the Participant as fully paid and non-assessable.
- 7.7 **Form of Consideration.** The Board shall determine the acceptable form of consideration for exercising an Option, including the method of payment. To the extent approved by the Board at the time of the grant of an Option and to the extent provided for in the award agreement relating to such Option and subject to applicable law, the consideration for exercise of an Option may be paid in any one, or any combination, of the forms of consideration set forth in subsections (a), (b) and (c) below.
- (a) **Cash Equivalent.** Consideration may be paid by cash, cheque, electronic transfer of funds, or other cash equivalent approved by the Board.
  - (b) **Broker-Assisted Cashless Exercise.** Subject to the Board's approval and further subject to the Shares being actively traded on an Exchange, consideration may be paid by the Participant as follows: (i) a brokerage firm loans money to the Participant in order for the Participant to exercise Options to acquire Shares (the "**Loan**"); (ii) the brokerage firm then sells a sufficient number of Shares to cover the Option Price

of the Options that were exercised by the Participant in order to repay the Loan; and (iii) the brokerage firm receives an equivalent number of Shares from the exercise of the Options and the Participant receives the balance of the Shares or the cash proceeds from the balance of such Shares.

- (c) Other Methods. Consideration may be paid using such other methods of payment as the Board, as its discretion, deems appropriate from time to time.

7.8 **Restrictive Legends.** Any award agreement or certificate representing Options will bear the following legend, if required pursuant to the policies of the TSXV (including, but not limited to, any award agreement or certificate representing Options granted to a Director, Officer or a Promoter of the Corporation):

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate, and any securities issued upon exercise hereof, 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 [NTD: The date that is four months and one day after the date of the grant of the Option will be inserted].*

Any certificate representing Shares issued pursuant to an exercise of an Option before the date that is four month and one day after the date of grant of an Option will bear the following legend, if required pursuant to the policies of the TSXV (including, but not limited to, any certificate representing Shares issued pursuant to an exercise of an Option granted to a Director, Officer or a Promoter of the Corporation):

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [NTD: The date that is four months and one day after the date of the grant of the Option will be inserted].*

AND, if the optionee is a resident of the United States, the following additional legend:

*The securities represented hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act"). The holder hereof, by purchasing such securities, agrees for the benefit of the Issuer that such securities may be offered, sold, pledged or otherwise transferred only (A) to the Issuer, (B) outside of the United States in accordance with Rule 904 of Regulation S under the US Securities Act if available, (C) inside the United States (1) pursuant to the exemption from the registration requirements under the US Securities Act provided by Rule 144 thereunder, if available, and in accordance with the applicable state securities laws, or (2) in a transaction that does not require registration under the US Securities Act or any applicable State laws and regulations governing the offer and sale of securities, and the holder has prior to such sale furnished to the Issuer an opinion of counsel, of*

*recognized standing, reasonably satisfactory to the Issuer. Delivery of this certificate may not constitute "Good Delivery" in settlement of transactions on stock exchanges in Canada. If the Issuer is a "Foreign Issuer" as that term is defined by Regulation S at the time of sale, a new certificate, bearing no legend, delivery of which will constitute "Good Delivery" may be obtained from the Registrar upon delivery of this certificate and a duly executed declaration, in a form satisfactory to the registrar and the Issuer, to the effect that the sale of the securities represented hereby is being made in compliance with Rule 904 of Regulation S under the US Securities Act. (This legend is valid for one year from the date of issuance of the common shares obtained by exercise of the stock option).*

- 7.9 **Accelerated Vesting.** Notwithstanding any vesting conditions the Board may have established in respect of a grant of Options, upon the occurrence of a Change of Control, take-over bid, reverse take-over or other similar transaction involving the Corporation, all outstanding Options will become fully vested.
- 7.10 **Limits for Persons Performing Investor Relations Activities.** Notwithstanding any other provision of the Plan, if the Corporation is listed on the TSXV, for so long as such limitation is required by the TSXV, the maximum number of Options which may be granted within any 12 month period to Employees, Consultants and Management Company Employees who perform Investor Relations Activities must not exceed two percent (2%) of the issued and outstanding Shares (on a non-diluted basis) calculated as at the date any Option is granted to any such Employees, Consultants and Management Company Employees and such Options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period.

## ARTICLE 8 AMENDMENT PROCEDURE

- 8.1 **Amendment Procedure.** The Corporation retains the right to amend or terminate the terms and conditions of the Plan, in whole or in part, by resolution of the Board. If required, any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the Exchange. Any amendment to the Plan shall take effect with respect to all outstanding Awards on the date of, and all Awards granted after, the effective date of such amendment, provided that in the event any amendment materially and adversely affects any outstanding Awards it may apply to such outstanding Awards only with the mutual consent of the Corporation and the Participant to whom such Awards have been granted, unless such amendment is required by applicable laws or the rules and policies of the Exchange. The Board shall have the power and authority to approve amendments relating to the Plan or to Awards, without further approval of the Shareholders of the Corporation, including the following non-exhaustive list of such amendments:
- (a) altering, extending or accelerating the terms and conditions of any Awards;
  - (b) amending the termination provisions of an Award (which do not entail an extension beyond the original expiry date of the Award), which amendment shall include determining that any provisions of Article 5 concerning the effect of the Participant ceasing to be an Eligible Person shall not apply for any reason acceptable to the Board;

- (c) determining adjustments pursuant to Article 6 hereof;
- (d) amending the definitions contained within the Plan and other terms of the Plan for the purpose of clarifying such provisions (and not having the effect of altering the scope, nature and intent of such provisions), including, but not limited to the definition of “Eligible Person” under the Plan except as provided in Section 8.2(c) (which, for greater certainty, does not have the potential of broadening or increasing participation in the Plan by Insiders);
- (e) amending or modifying the mechanics of exercise or redemption of the Awards as set forth in the Plan;
- (f) effecting amendments of a “housekeeping” nature including, without limited the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan;
- (g) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);
- (h) effecting amendments respecting the administration of the Plan;
- (i) effecting amendments necessary to suspend or terminate the Plan; and
- (j) amendments which do not require Shareholder approval pursuant to applicable law or the rules and policies of the Exchange.

8.2 **Shareholder Approval.** Notwithstanding the foregoing, approval of the Shareholders of the Corporation shall be required for the following types of amendments:

- (a) increasing the number of Shares issuable under the Plan, except such increase by operation of Section 4.1 and in the event of an adjustment contemplated by Article 6;
- (b) reducing the Option Price of an Option held by an Insider or cancelling an Option held by an Insider and replacing such Option with a lower Option Price under such replacement Option, except as permitted pursuant to Article 6;
- (c) amending the listed categories contained in the definition of “Eligible Persons” hereunder which would have the potential of broadening or increasing participation in the Plan by Insiders;
- (d) amending Section 8.1 hereof and this Section 8.2; and
- (e) making any amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

Where required by the policies of the Exchange, the Shareholder approval required by this Section 8.2 shall be by the majority vote of the Shareholders of the Corporation excluding any votes cast by Insiders who are entitled to participate as Eligible Persons under the Plan or who will specifically benefit from the proposed amendment.

- 8.3 **Conflict.** In the event of any conflict between Section 8.1 and Section 8.2, the latter shall prevail to the extent of the conflict.

## **ARTICLE 9 GENERAL**

- 9.1 **No Rights as Shareholder.** The holder of an Award shall not have any rights as a Shareholder of the Corporation with respect to any Shares covered by such Award until such holder shall have exercised such Award and been issued Shares in accordance with the terms of the Plan (including tender of payment in full of the Option Price of the Shares in respect of which an Option is being exercised, together with any required withholdings) and the Corporation shall issue such Shares to the Participant in accordance with the terms of the Plan in those circumstances.
- 9.2 **No Rights Conferred.**
- (a) Nothing contained in this Plan or any Award shall confer upon any Participant any right with respect to continuance as a Director, Officer, Employee, or Consultant or Management Company Employee of the Corporation or its Affiliates, or interfere in any way with the right of the Corporation or its Affiliates to terminate the Participant's employment at any time.
  - (b) Nothing contained in this Plan or any Award shall confer on any Participant who is not a Director, Officer, Employee, or Consultant or Management Company Employee any right to continue providing ongoing services to the Corporation or its Affiliates or affect in any way the right of the Corporation or its Affiliates to determine to terminate his, her or its contract at any time.
- 9.3 **Tax Consequences.** It is the responsibility of the Participant to complete and file any tax returns which may be required under any applicable tax laws within the period specified in those laws as a result of the Participant's participation in the Plan. The Corporation shall not be responsible for any tax consequences to the Participant as a result of the Participant's participation in the Plan. The Participant shall remain responsible at all times for paying any federal, provincial, local and foreign income or employment tax due with respect to any Award, and the Corporation shall not be liable for any interest or penalty that a Participant incurs by failing to make timely payments of tax.
- 9.4 **Withholding Requirements.** Prior to the delivery of any Shares or cash pursuant to the grant, exercise, vesting, or settlement of an Award, the Corporation shall have the power and the right to deduct or withhold, or to require a Participant to remit to the Corporation, an amount sufficient to satisfy any federal, provincial, local and foreign taxes that the Corporation determines is required to be withheld to comply with applicable laws. The Corporation shall make any withholdings or deductions in respect of taxes as required by law or the interpretation or administration thereof. The Corporation shall be entitled to make arrangements to sell a sufficient number of Shares to be issued pursuant to the exercise of an Award to fund the payment and remittance of such taxes that are required to be deducted or withheld and any associated costs (including brokerage fees).
- 9.5 **No Representation.** The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

- 9.6 **Black-out Policy Restrictions.** Awards shall be subject to the Corporation's insider trading policy as may be in effect from time to time, including any Black-out Period, trading prohibition or requirement to obtain mandatory pre-clearance of a transaction.
- 9.7 **Governing Law.** This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 9.8 **Severance.** If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation of this Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

#### **ARTICLE 10 SHAREHOLDER AND REGULATORY APPROVAL**

This Plan shall be subject to the approval of the Shareholders of the Corporation in accordance with the policies of the Exchange to be given by a resolution passed at a meeting of the shareholders of the Corporation, and to the acceptance by the Exchange and any other relevant regulatory authority. Any Awards granted hereunder prior to such approval and acceptance (other than grants made under the Prior Plan prior to the Effective Date) shall be conditional upon such approval and acceptance being given, and no such Awards may be exercised unless and until such approval and acceptance is given. In accordance with the rules of the TSXV, every year after the Plan becomes effective, the Plan must be approved by the Shareholders of the Corporation in accordance with the policies of the TSXV.

## RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT PLAN

### KODIAK COPPER CORP.

#### ARTICLE 1 PURPOSE

- 1.1 **Purpose.** The purpose of the Plan (as defined herein) of the Corporation is to advance the interests of the Corporation and its Affiliates by (a) attracting, rewarding and retaining highly competent persons as Employees, Officers, Directors, and Consultants; (b) providing additional incentives to Employees, Officers, Directors, and Consultants as determined by the Board by aligning their interests with those of the Corporation's shareholders; and (c) promoting the success of the Corporation's business.
- 1.2 **Effective Date and Replacement.** The Plan shall become effective upon the receipt of all required shareholder and regulatory approvals.

#### ARTICLE 2 DEFINED TERMS

- 2.1 **Definitions.** The following terms used herein shall have the following meanings:

**"Affiliate"** means an entity which is an "affiliate" of the Corporation for the purposes of the Securities Act;

**"Associate"** has the meaning given to such term in Policy 1.1 – *Interpretation* of the TSXV Manual;

**"Award"** means a Restricted Share Unit(s) or Deferred Share Unit(s) granted pursuant to the Plan;

**"Black-Out Period"** means a time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons, including any holder of an Award, as designated by the Corporation as a result of undisclosed material information concerning the Corporation;

**"Board"** means the board of directors of the Corporation or, if established and duly authorized to act in respect of the Plan, a committee of the board of directors of the Corporation;

**"Business Day"** means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;

**"Change of Control"** means the occurrence of any of the following:

- (i) the acquisition by any Person (whether from the Corporation or from any other Person) of Shares or other securities of the Corporation having rights of purchase, conversion or exchange into Shares which together with securities of the Corporation held by such Person, either alone or together with Persons "acting jointly or in concert" (as such phrase is defined by the Securities Act)

with such Person, exceeds 50% of the issued and outstanding Shares, (assuming for this test the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Shares, such Person or Persons would be entitled to);

- (ii) the amalgamation of the Corporation with or into any one or more other corporations (other than: (a) an amalgamation of the Corporation with or into a subsidiary (as such term is defined in the Securities Act) of the Corporation; or (b) an amalgamation or merger of the Corporation unanimously recommended by the Board provided that the former holders of Shares receive, in the aggregate and in their capacities as such, shares of the amalgamated corporation having attached thereto not less than 50% of the votes attached to all shares of such amalgamated or merged corporation);
- (iii) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board, who are not included in the slate or election as directors proposed to the Corporation's shareholders by the Corporation; or
- (iv) the completion of any transaction or the first of a series of transaction which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i) and (ii) referred to above;

**"Common Shares"** means the common shares of the Corporation;

**"Consultant"** means an individual (other than a Director, Officer or Employee of the Corporation or an Affiliate) who:

- (i) provides ongoing consulting, technical, management or other services to the Corporation or an Affiliate other than services provided in relation to a "distribution" (as such term is defined in the Securities Act), under a written contract with the Corporation or an Affiliate;
- (ii) possesses technical, business or management expertise of value to the Corporation or an Affiliate;
- (iii) in the opinion of the Corporation, spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate;
- (iv) has a relationship with the Corporation or an Affiliate that enables the Consultant to be knowledgeable about the business and affairs of the Corporation; and
- (v) includes a Consultant Company or a Consultant Partnership.

**"Consultant Company"** means, for an individual Consultant, a company of which the individual consultant is an employee or shareholder;

**"Consultant Partnership"** means, for an individual Consultant, a partnership of which the individual Consultant is an employee or partner;

**“Corporation”** means Kodiak Copper Corp., a corporation incorporated under the laws of the Province of British Columbia, and any successor corporation;

**“Deferred Share Units”** has the meaning set out in Section 8.1;

**“Director”** means a member of the board of directors of the Corporation or of any of its Affiliates;

**“Discounted Market Price”** has the meaning given to such term in Policy 1.1 – *Interpretation* of the TSXV Manual;

**“Effective Date”** means, for a Grant, the date which the Board determines will be the date on which the Grant will take effect;

**“Eligible Person”** means, subject to all applicable laws and Section 5.1, any Employee, Officer, Director, Management Company Employee or, if applicable, Consultant of the Corporation or of any Affiliate. For greater certainty, Consultants of the Corporation or of any Affiliate are not Eligible Persons in respect of Awards of Deferred Share Units;

**“Employee”** means,

- (i) an individual who is considered an employee of the Corporation or an Affiliate under the Income Tax Act (i.e. for whom income tax employment insurance and Canada Pension Plan deductions must be made at source);
- (ii) an individual who works full-time for the Corporation or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or an Affiliate over the details and method of work as an employee of the Corporation or an Affiliate, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week providing services normally proved by an employee and who is subject to the same control and direction by the Corporation or an Affiliate over the details and methods of work as an employee of the Corporation or an Affiliate, but for whom income tax deductions are not made at source; and
- (iv) includes an issuer all of the voting securities of which are owned by one or more Officers, Directors or Employees of the Corporation or an Affiliate;

**“Exercise Criteria”** means the criteria, if any, established by the Board in relation to a Grant, which criteria are to be achieved during a Grant Period by a Participant in respect of that particular Grant in order that Restricted Share Units will be issued and which criteria may, without limitation, include vesting periods and criteria based on performance of the Shares in the market (provided that the Share price cannot be less than the Discounted Market Price as at the date of the Grant), financial performance by the Corporation and/or by a specific business unit of the Corporation and other corporate or individual measures;

**“Exchange”** means the TSX Venture Exchange (TSXV) or, if the Shares are not then listed and posted for trading on the TSXV, on such stock exchange in Canada on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;

**“Grant”** means the grant of Restricted Share Units allocated to a Participant at any time in accordance with the Plan;

**“Grant Period”** means the period established by the Board in respect of each Grant, which period shall commence on the Effective Date and end on the date designated by the Board, provided however that such period will not in any case exceed three years;

**“Insider”** has the meaning given to such term in Policy 1.1 – *Interpretation* of the TSXV Manual;

**“Investor Relations Activities”** has the meaning given to such term in Policy 1.1 – *Interpretation* of the TSXV Manual;

**“Management Company Employee”** means an individual employed by a person providing management services to the Corporation who is required for the ongoing successful operation of the business enterprise of the Corporation but excluding a person engaged in Investor Relations Activities;

**“Market Price”** as at any date means the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the relevant date, calculated by dividing the total value by the total volume of Shares traded for the relevant period, rounded up to the nearest cent. In the event that the Shares are not then listed and posted for trading on any Exchange, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the reasonable application by the Board of a reasonable valuation method;

**“Officer”** means an officer (as such term is defined in the Securities Act) of the Corporation or an Affiliate;

**“Participant”** means an Eligible Person who holds an Award under the terms of the Plan;

**“Payout Date”** in respect of a Deferred Share Unit means ten (10) Business Days following the Termination Date;

**“Plan”** means this Restricted Share Unit and Deferred Share Unit plan, as the same may be amended from time to time;

**“Release Date”** means, in respect of a Grant of Restricted Share Units, unless otherwise determined by the Board, either (i) the date which is ten (10) Business Days following each anniversary of the Effective Date of the Grant, or (ii) the date which is ten (10) Business Days following the third anniversary of the Effective Date of the Grant, as specified in the award agreement;

**“Restricted Share Units”** has the meaning set out in Section 7.1;

**“Securities Act”** means the *Securities Act* (British Columbia) as in force from time to time;

“**Shareholder**” means a holder of Common Shares;

“**Shares**” mean the common shares of the Corporation as currently constituted or, in the event of an adjustment as contemplated by Article 6, such other shares or securities to which a Participant may be entitled or on which the value of an Award may be based, as a result of such adjustment;

“**Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time;

“**Termination Date**” means the date a Participant ceases to be an Eligible Person and, unless otherwise provided herein, does not include any period of statutory, contractual or reasonable notice or any period of salary continuance or deemed employment;

“**TSXV**” means the TSX Venture Exchange; and

“**TSXV Manual**” means the TSXV Corporate Finance Manual.

### **ARTICLE 3 ADMINISTRATION OF THE PLAN**

- 3.1 **General.** The Plan shall be administered by the Board which shall have the power, subject to the specific provisions of the Plan:
- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
  - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Award granted pursuant to the Plan, where every such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
  - (c) to determine the Eligible Persons to whom Awards are granted and to grant Awards;
  - (d) to determine the number of Awards;
  - (e) to determine the Exercise Criteria in respect of any Grant;
  - (f) to determine the time or times when Awards will be granted and exercisable or redeemable;
  - (g) to determine if the Shares that are subject to an Award will be subject to any restrictions upon the exercise or redemption of such Award;
  - (h) to prescribe the form of the instruments or award agreements relating to the grant, exercise, redemption and other terms of Awards;
  - (i) to determine whether, to what extent, and under what circumstances an Award may be settled in cash or through a cashless exercise pursuant to Section 6.3;
  - (j) to correct any defect (including but not limited to amending an award agreement to comply with applicable law), supply any omission, or reconcile any inconsistency in

the Plan or any award agreement in the manner and to the extent it shall deem desirable to carry out the purposes of the Plan;

- (k) to authorize withholding arrangements pursuant to Section 10.4 of the Plan;
- (l) to authorize any person to execute on behalf of the Corporation any instrument required to effect the grant of an Award previously granted by the Board; and
- (m) to make all other determinations and take all other actions described in the Plan or as the Board otherwise deems necessary or advisable for administering the Plan and effectuating its purposes.

The powers described in this Section 3.1 shall be exercised in accordance with applicable securities laws and the rules and policies of the Exchange.

- 3.2 **Delegation of Administration.** The Board may, from time to time, delegate the administration of all or any part of the Plan to a committee of the Board and shall determine the scope of and may revoke or amend such delegation.
- 3.3 **Award Agreement.** Each Participant shall execute an award agreement in the form determined by the Board from time to time. In the event of any inconsistency between the terms of any award agreement and the Plan, the terms of the Plan shall govern.
- 3.4 **Awards May be Separate or in Tandem.** In the Board's discretion, Awards may be granted alone, in addition to, or in tandem with any other Award or any award granted under all other security-based compensation arrangements of the Corporation or an Affiliate. Awards granted in addition to or in tandem with other awards may be granted either at the same time or at different times.

#### ARTICLE 4 SHARES SUBJECT TO THE PLAN

- 4.1 **Shares Subject to the Plan.** The Shares to be subject to or related to Awards under the Plan will be authorized and unissued Shares of the Corporation. The maximum number of Shares that are issuable to Eligible Persons under Awards subject to this Plan is a fixed number of 2,290,768 Shares, subject to increase with the acceptance of the TSXV and requisite approval of Shareholders in accordance with the policies of the TSXV or to adjustments in accordance with Section 6.1.
- 4.2 **Terminated or Cancelled Restricted Share Units or Deferred Share Units or Payout in Cash.** Any Shares subject to a Restricted Share Unit or a Deferred Share Unit which has been granted under the Plan and which is cancelled or terminated in accordance with the terms of the Plan without being paid out in Shares as provided for in the Plan shall again be available under the Plan. To the extent that any Restricted Share Units or Deferred Share Units that may be paid out in cash or Shares or a combination thereof are paid out in cash, then the Shares that were potentially issuable in respect of such Restricted Share Units or Deferred Share Units shall again be available under the Plan.
- 4.3 **Awards to Insiders.** If the Corporation is listed on the TSXV, under no circumstances shall the Plan, together with all other security-based compensation arrangements of the Corporation, result, at any time, in:

- (a) the number of Shares issuable to Insiders (as a group) exceeding ten percent (10%) of the issued and outstanding Shares (on a non-diluted basis), unless the Corporation has obtained disinterested shareholder approval as required by the TSXV; or
- (b) the issuance to Insiders (as a group), within any 12 month period, of a number of Shares exceeding ten percent (10%) of the issued and outstanding Shares (on a non-diluted basis) calculated as at a date any security-based compensation is granted or issued to any Insider, unless the Corporation has obtained disinterested shareholder approval as required by the TSXV.

4.4 **Maximum Awards.** If the Corporation is listed on the TSXV, the following limitations shall apply to the Plan so long as such limitations are required by the TSXV:

- (a) the maximum number of Shares which may be issuable pursuant to all security-based compensation arrangements of the Corporation in any 12 month period to any one Eligible Person (or any companies that are wholly-owned by that person) must not exceed five percent (5%) of the issued and outstanding Shares (on a non-diluted basis) calculated as at a date any security-based compensation is granted or issued to the Eligible Person, unless the Corporation has obtained disinterested shareholder approval as required by the TSXV; and
- (b) the maximum number of Shares which may be issuable pursuant to all security-based compensation arrangements of the Corporation in any 12 month period to any one Consultant must not exceed two percent (2%) of the issued and outstanding Shares (on a non-diluted basis) calculated as at a date any security-based compensation is granted or issued to the Consultant.

4.5 **Restrictions on Exercise or Redemption.** Notwithstanding any of the provisions contained in the Plan or any Award, the Corporation's obligation to issue Shares to a Participant pursuant to the exercise or redemption of an Award shall be subject to:

- (a) the completion of such registration or other qualification of such Shares or the approval of the Exchange or such other regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on the Exchange; and
- (c) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain necessary shareholder, regulatory or stock exchange approval, then the obligation of the Corporation to issue such Shares shall

terminate and any amounts paid by the Participant to the Corporation to exercise or redeem an Award shall be returned to the Participant.

- 4.6 **Non-Assignable.** An Award is personal to the Participant and is non-assignable and non-transferable, except with the prior written consent of the Corporation and any required consent of the Exchange and any other applicable regulatory authority. Notwithstanding the foregoing, an Award granted to a Consultant that is a company or partnership, may be assigned to a Management Company Employee of such Consultant.
- 4.7 **Substitute Awards.** Subject to TSXV approval, the Board may grant Awards under the Plan in substitution for share and share-based awards held by employees, directors, consultants or advisors of another company (an “**Acquired Company**”) in connection with a merger, consolidation or similar transaction involving such Acquired Company and the Corporation or an Affiliate or the acquisition by the Corporation or an Affiliate of property or stock of the Acquired Company. The Board may direct that the substitute Awards be granted on such terms and conditions as the Board considers appropriate in the circumstances, subject to the approval of the TSXV.

## **ARTICLE 5 ELIGIBILITY AND CEASING TO BE AN ELIGIBLE PERSON**

- 5.1 **Eligible Persons.** Awards may only be granted to Eligible Persons. For greater certainty, subject to the terms hereof, a Participant must be a bona fide Director, Officer, Employee, Management Company Employee or Consultant of the Corporation or an Affiliate at the time the Award is granted or issued in order to be eligible for the grant or the issuance of an Award. Notwithstanding the foregoing and any other provision of the Plan: (i) Consultants shall not be eligible for the grant or issuance of Deferred Share Units under the Plan and shall not be Eligible Persons in respect of any Awards of Deferred Share Units; and (ii) for so long as required pursuant to the policies of the TSXV, Employees, Consultants and Management Company Employees who provide Investor Relations Activities on behalf of the Corporation or an Affiliate of the Corporation shall not be Eligible Persons.
- 5.2 **Compliance with Laws.** Notwithstanding any provision contained in the Plan, no Participant may exercise or redeem any Award granted under the Plan and no Shares may be issued upon exercise or redemption of an Award unless such exercise or redemption and issuance are in compliance with all applicable securities laws or other legislation of the jurisdiction of residence of such person and in compliance with the terms of the Plan. Unless the potential Participant is a resident of Canada, the Corporation may require, as a condition of the grant of an Award, that the potential Participant provide a written acknowledgement that the grant of the Award does not violate any such laws.
- 5.3 **Termination Date.** Subject to Section 5.4, 5.5 and 5.6, Article 8 and any express resolution passed by the Board, all Awards, and all rights to acquire Shares pursuant thereto, granted to an Eligible Person shall expire and terminate immediately upon the Participant's Termination Date.
- 5.4 **Circumstances When Awards are Exercisable or Redeemable.** If, before the expiry of an Award in accordance with the terms thereof, a Participant ceases to be an Eligible Person for any reason whatsoever, other than termination by the Corporation for cause (in which case all unexercised or unredeemed Awards (vested or unvested) shall cease immediately), such Awards may, subject to:

- (a) the terms set out in the award agreement;
- (b) any determination made by the Board to accelerate the vesting of or to extend the expiry of an Award (provided that any extension of the expiry of an award cannot exceed 12 months from the date the Participant ceases to be an Eligible Person); and
- (c) any other terms of the Plan,

be exercised or redeemed, as applicable;

- (d) if the Participant is deceased, by the heirs of the Participant or by legal personal representative(s) of the estate of the Participant at any time within 12 months following the death of the Participant; or
- (e) by the Participant at any time within ninety (90) days following the Termination Date.

But, in any case, subject to any determination of the Board, the exercise or redemption of the Award must be prior to the expiry of the Grant Period in respect of Restricted Share Units and only to the extent that the Award was vested or the Exercise Criteria was satisfied and the Participant was otherwise entitled to exercise the Award at the Termination Date, subject to any determination by the Board to accelerate the vesting of an Award or extend the expiry of an Award.

#### 5.5 **Death or Termination of Employment or Engagement.**

- (a) Notwithstanding Section 5.4, in the event of the death of a Participant while in the employment or engagement of the Corporation or any Affiliate, all Awards granted to that Participant prior to the date of death shall be deemed to be vested in respect of the Participant or to have had the Exercise Criteria relating thereto satisfied on the date of death.
- (b) Except as specifically provided for in this Plan or in any award agreement, or as otherwise agreed to or determined by the Board, if the employment or engagement of a Participant with the Corporation or any Affiliate is terminated for any reason prior to the exercise or redemption of any Award, then the Participant shall be deemed to have forfeited all right, title and interest with respect to any Award not fully vested or in respect of which the Exercise Criteria has not been satisfied upon that Participant's last day of such employment which shall be considered to be:
  - (i) if the Participant is terminated for just cause, the actual date of termination; and
  - (ii) if the Participant is terminated for reasons other than just cause, the date which is the later of: (i) the conclusion of any statutory, contractual or common law period of notice of termination of employment to which that Participant is entitled; and (ii) 90 days after the Termination Date.
- (c) Notwithstanding the foregoing, in the event that a Participant's employment or engagement with the Corporation or any Affiliate is terminated without just cause or if the Participant resigns from such employment or engagement then, at the sole and

unfettered discretion of the Board, all or any portion of the Awards granted to that Participant may be deemed to have vested or to have had the Exercise Criteria relating thereto satisfied on the date of termination or resignation.

- 5.6 **Another Listed Category.** Awards shall not be affected in the event the Participant ceases to fall within a listed category contained in the definition of an “Eligible Person” hereunder where such Participant falls within another listed category of such definition, subject to the provisions of Section 5.1.

## **ARTICLE 6 CERTAIN ADJUSTMENTS**

- 6.1 **Changes in Shares.** In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, acquisition, divestiture, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation’s assets to shareholders, or any other change in the capital of the Corporation affecting Shares, the Board will, subject to TSXV approval, make such proportionate adjustments, if any, as the Board in its discretion may deem appropriate to reflect such change, with respect to (i) the number or kind of Shares or other securities reserved for issuance pursuant to this Plan; (ii) the number or kind of Shares or other securities subject to unexercised or unredeemed Awards previously granted; and (iii) the Market Price of a Share at the date of grant, as applicable, of Awards.
- 6.2 **No Fractional Shares.** The Corporation will not issue fractional Shares in satisfaction of any of its obligations hereunder.
- 6.3 **Payment on Change of Control.** Notwithstanding any other provisions of the Plan, in the event of the occurrence of a Change of Control of the Corporation of which a Participant is an Eligible Person, with respect to all Grants of Restricted Share Units and grants of Deferred Share Units that are outstanding for such Participant on the date of the Change of Control (the “**CoC Date**”), (i) all vesting and Exercise Criteria, if any, applicable to such Grants of Restricted Share Units and grants of Deferred Share Units shall be deemed to have been satisfied as of the CoC Date and (ii) except as may be otherwise provided under the terms of any other employee benefit plan approved by the Board, each Participant who has received any such Grants of Restricted Share Units or grants of Deferred Share Units and whose employment or consulting arrangement with the Corporation or an Affiliate of the Corporation, immediately following the Change of Control, is terminated shall be entitled to receive, in full settlement of such Restricted Share Units or Deferred Share Units, a cash payment equal to the Special Value (as defined below) payable on the date which is ten Business Days following the CoC Date. For greater certainty, the occurrence of a Change of Control will not trigger the right of a Participant to receive a payment in respect of a Deferred Share Unit prior to a Termination Date for such Participant.

For the purpose of this Section 6.3, the term “**Special Value**” means an amount which, subject to the acceptance of the TSXV and the determination of the Board, is determined as follows: (i) if any Shares are sold as part of the transaction constituting the Change of Control, then the Special Value shall equal the weighted average of the prices paid for those Shares by the acquirer, provided that if any portion of the consideration paid for such Shares by the acquirer is paid in property other than cash, then the Board (as constituted immediately prior to the CoC Date) shall determine the fair market value of

such property as of the CoC Date for purposes of determining the Special Value; and (ii) if no Shares are sold as part of the transaction constituting the Change of Control, then the Special Value shall be the Market Price of a Share on the day immediately preceding the CoC Date.

## ARTICLE 7 RESTRICTED SHARE UNITS

- 7.1 **Grants of Restricted Share Units.** The Board may Grant rights (“**Restricted Share Units**”) to Eligible Persons. The Board shall designate the number of Restricted Share Units granted.
- 7.2 **Restricted Share Units.** A Restricted Share Unit is the right, subject to the level of achievement of Exercise Criteria or vesting or other criteria determined by the Board at the date of the Grant, to receive one Share issued from treasury for each Restricted Share Unit redeemed or a payment in cash determined in accordance with Section 7.5.
- 7.3 **Terms of Restricted Share Units.** Restricted Share Units shall be granted on such terms as shall be determined by the Board and set out in the award agreement. Without limiting the generality of the foregoing, subject to the provisions of the Plan, the Board shall, in its sole discretion and from time to time, determine the Eligible Persons to whom Grants will be made based on its assessment, for each Participant, of the current and potential contribution of such Eligible Person to the success of the Corporation. At such time, the Board shall also determine, in connection with each Grant, the Effective Date thereof, the number of Restricted Share Units to be allocated, the Grant Period applicable thereto and any applicable vesting terms for such Grant, the Exercise Criteria, if any, and such other terms and conditions which the Board considers appropriate to the Grant in question (including any dividend equivalent entitlements), and which terms and conditions need not be identical as between any two Grants, whether or not contemporaneous.
- 7.4 **Redemption of Restricted Share Units.** Subject to the provisions of the Plan and award agreement, a Restricted Share Unit shall be redeemed and paid (or Shares issued) on the first Release Date following the satisfaction of the Exercise Criteria in respect of such Restricted Share Unit.
- 7.5 **Redemption in Cash.** Any award agreement may provide that a Participant, or that Participant’s estate, if applicable, may elect to have some or all of its Restricted Share Units described in such award agreement settled by the payment of cash. Where the Participant is an Employee, the settlement date shall be prior to the third anniversary date of the grant of the Restricted Share Unit. If the award agreement in question does not provide such election right to the Participant thereunder and also does not specify that there will be no election to settle Restricted Share Units by the payment of cash, then the Corporation will have the option to settle some or all of such Restricted Share Units by the payment of cash. Where a Participant is to receive cash in settlement of Restricted Share Units, then that Participant shall receive a cash payment equal to the number of Restricted Share Units being settled, multiplied by the Market Price on the Release Date applicable to such Restricted Share Units.
- 7.6 **Accelerated Vesting.** Notwithstanding any vesting conditions the Board may have established in respect of a grant of Restricted Share Units, upon the occurrence of a

Change of Control, take-over bid, reverse take-over or other similar transaction involving the Corporation, all outstanding Restricted Share Units will become fully vested.

## **ARTICLE 8 DEFERRED SHARE UNITS**

- 8.1 **Grants of Deferred Share Units.** The Board may grant rights (“**Deferred Share Units**”) to Eligible Persons. The Board shall designate the number of Deferred Share Units granted. For greater certainty, Consultants of the Corporation or of any Affiliate are not Eligible Persons in respect of Awards of Deferred Share Units.
- 8.2 **Deferred Share Units.** A Deferred Share Unit is the right, subject to the achievement of any terms and conditions as determined by the Board, to receive a cash payment equal to the Market Price of a Share on the Termination Date, less any amount required to be withheld by applicable law or, if applicable, one fully paid and non-assessable Share issued from treasury.
- 8.3 **Terms of Deferred Share Units.** Deferred Share Units shall be granted on such terms as shall be determined by the Board and set out in the award agreement. Without limiting the generality of the foregoing, subject to the provisions of the Plan, the Board shall, in its sole discretion and from time to time, determine the Eligible Persons to whom grants will be made based on its assessment, for each Participant, of the anticipated contribution of such Eligible Person to the success of the Corporation. At such time, the Board shall also determine, in connection with each grant, the effective date thereof, the number of Deferred Share Units to be allocated, and such other terms and conditions which the Board considers appropriate to the grant in question, and which terms and conditions need not be identical as between any two grants, whether or not contemporaneous.
- 8.4 **Redemption of Deferred Share Units.** Subject to the provisions of the Plan and award agreement, a Deferred Share Unit held by a Participant shall be redeemed by the Corporation on the Payout Date, unless otherwise agreed to between the Corporation and a Participant.
- 8.5 **Deferred Share Units May be Payable in Cash or Shares.** Any award agreement may provide that a Participant, or that Participant’s estate, if applicable, may elect to have some or all of its Deferred Share Units described in such award agreement settled by the issuance of Shares. If the award agreement in question does not provide such election right to the Participant thereunder and also does not specify that there will be no election to settle Deferred Share Units by the issuance of Shares, then such Deferred Share Units shall only be settled by the payment of cash. For greater certainty, unless expressly provided in the award agreement, the granting of a Deferred Share Unit does not entitle the holder thereof to acquire or otherwise obtain any rights or interests whatsoever in any Shares (including the right to dividends) or other securities of the Corporation. Participants have no right or ability to exercise, receive or otherwise demand payment of the value of the Deferred Share Units granted to them prior to the Payout Date.
- 8.6 **Accelerated Vesting.** Notwithstanding any vesting conditions the Board may have established in respect of a grant of Deferred Share Units, upon the occurrence of a Change of Control, take-over bid, reverse take-over or other similar transaction involving the Corporation, all outstanding Deferred Share Units will become fully vested.

**ARTICLE 9**  
**AMENDMENT PROCEDURE**

- 9.1 **Amendment Procedure.** The Corporation retains the right to amend or terminate the terms and conditions of the Plan, in whole or in part, by resolution of the Board. If required, any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the Exchange. Any amendment to the Plan shall take effect with respect to all outstanding Awards on the date of, and all Awards granted after, the effective date of such amendment, provided that in the event any amendment materially and adversely affects any outstanding Awards it may apply to such outstanding Awards only with the mutual consent of the Corporation and the Participant to whom such Awards have been granted, unless such amendment is required by applicable laws or the rules and policies of the Exchange. The Board shall have the power and authority to approve amendments relating to the Plan or to Awards, without further approval of the Shareholders of the Corporation, including the following non-exhaustive list of such amendments:
- (a) altering, extending or accelerating the terms and conditions of any Awards;
  - (b) amending the termination provisions of an Award (which do not entail an extension beyond the original expiry date of the Award), which amendment shall include determining that any provisions of Article 5 concerning the effect of the Participant ceasing to be an Eligible Person shall not apply for any reason acceptable to the Board;
  - (c) determining adjustments pursuant to Article 6 hereof;
  - (d) amending the definitions contained within the Plan and other terms of the Plan for the purpose of clarifying such provisions (and not having the effect of altering the scope, nature and intent of such provisions), including, but not limited to the definition of “Eligible Person” under the Plan except as provided in Section 9.2(b) (which, for greater certainty, does not have the potential of broadening or increasing participation in the Plan by Insiders);
  - (e) amending or modifying the mechanics of exercise or redemption of the Awards as set forth in the Plan;
  - (f) effecting amendments of a “housekeeping” nature including, without limited the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan;
  - (g) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);
  - (h) effecting amendments respecting the administration of the Plan;
  - (i) effecting amendments necessary to suspend or terminate the Plan; and
  - (j) amendments which do not require Shareholder approval pursuant to applicable law or the rules and policies of the Exchange.

- 9.2 **Shareholder Approval.** Notwithstanding the foregoing, approval of the Shareholders of the Corporation shall be required for the following types of amendments:
- (a) increasing the number of Shares issuable under the Plan, except in the event of an adjustment contemplated by Article 6;
  - (b) amending the listed categories contained in the definition of “Eligible Persons” hereunder which would have the potential of broadening or increasing participation in the Plan by Insiders;
  - (c) amending Section 9.1 hereof and this Section 9.2; and
  - (d) making any amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

Where required by the policies of the Exchange, the Shareholder approval required by this Section 9.2 shall be by the majority vote of the Shareholders of the Corporation excluding any votes cast by Insiders who are entitled to participate as Eligible Persons under the Plan or who will specifically benefit from the proposed amendment.

- 9.3 **Conflict.** In the event of any conflict between Section 9.1 and Section 9.2, the latter shall prevail to the extent of the conflict.

## **ARTICLE 10 GENERAL**

- 10.1 **No Rights as Shareholder.** The holder of an Award shall not have any rights as a Shareholder of the Corporation with respect to any Shares covered by such Award until such holder shall have exercised or redeemed such Award and been issued Shares in accordance with the terms of the Plan and the Corporation shall issue such Shares to the Participant in accordance with the terms of the Plan in those circumstances.
- 10.2 **No Rights Conferred.**
- (a) Nothing contained in this Plan or any Award shall confer upon any Participant any right with respect to continuance as a Director, Officer, Employee, or Consultant or Management Company Employee of the Corporation or its Affiliates, or interfere in any way with the right of the Corporation or its Affiliates to terminate the Participant’s employment at any time.
  - (b) Nothing contained in this Plan or any Award shall confer on any Participant who is not a Director, Officer, Employee, or Consultant or Management Company Employee any right to continue providing ongoing services to the Corporation or its Affiliates or affect in any way the right of the Corporation or its Affiliates to determine to terminate his, her or its contract at any time.
- 10.3 **Tax Consequences.** It is the responsibility of the Participant to complete and file any tax returns which may be required under any applicable tax laws within the period specified in those laws as a result of the Participant’s participation in the Plan. The Corporation shall not be responsible for any tax consequences to the Participant as a result of the

Participant's participation in the Plan. The Participant shall remain responsible at all times for paying any federal, provincial, local and foreign income or employment tax due with respect to any Award, and the Corporation shall not be liable for any interest or penalty that a Participant incurs by failing to make timely payments of tax.

- 10.4 **Withholding Requirements.** Prior to the delivery of any Shares or cash pursuant to the grant, exercise, vesting, or settlement of an Award, the Corporation shall have the power and the right to deduct or withhold, or to require a Participant to remit to the Corporation, an amount sufficient to satisfy any federal, provincial, local and foreign taxes that the Corporation determines is required to be withheld to comply with applicable laws. The Corporation shall make any withholdings or deductions in respect of taxes as required by law or the interpretation or administration thereof. The Corporation shall be entitled to make arrangements to sell a sufficient number of Shares to be issued pursuant to the exercise of an Award to fund the payment and remittance of such taxes that are required to be deducted or withheld and any associated costs (including brokerage fees).
- 10.5 **No Representation.** The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.
- 10.6 **Black-out Policy Restrictions.** Awards shall be subject to the Corporation's insider trading policy as may be in effect from time to time, including any Black-out Period, trading prohibition or requirement to obtain mandatory pre-clearance of a transaction.
- 10.7 **Governing Law.** This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 10.8 **Severance.** If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation of this Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

## **ARTICLE 11 SHAREHOLDER AND REGULATORY APPROVAL**

This Plan shall be subject to the approval of the Shareholders of the Corporation in accordance with the policies of the Exchange to be given by a resolution passed at a meeting of the shareholders of the Corporation, and to the acceptance by the Exchange and any other relevant regulatory authority. Any Awards granted hereunder prior to such approval and acceptance (other than grants made under the Prior Plan prior to the Effective Date) shall be conditional upon such approval and acceptance being given, and no such Awards may be exercised unless and until such approval and acceptance is given.