

**DEFENSE METALS CORP.**

**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 9, 2022**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED: NOVEMBER 2, 2022**

DEFENSE METALS CORP.

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NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 9, 2022

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NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of Shareholders of Defense Metals Corp. (the “**Company**”) will be held at Suite 228 – 1122 Mainland Street, Vancouver, B.C. Canada V6B 5L1 on Friday, December 9, 2022 at 11:00 AM (Vancouver Time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended March 31, 2022, together with the report of the auditors thereon;
2. to fix the number of directors of the Company at six (6);
3. to elect the directors of the Company for the ensuing year;
4. to re-appoint the auditors for the ensuing year and to authorize the directors of the Company to determine the remuneration to be paid to the auditors;
5. to consider and, if thought appropriate, pass an ordinary resolution approving the Company’s Omnibus Equity Incentive Compensation Plan to replace the Company’s existing stock option plan; and
6. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

This notice of Meeting is accompanied by: (a) the management information circular (the “**Circular**”); and (b) either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders. **The Circular accompanying this notice of Meeting is incorporated into and shall be deemed to form part of this notice of Meeting.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is November 2, 2022 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

**In light of the rapidly evolving public health guidelines related to COVID-19, the Company asks Shareholders to consider voting their shares by proxy and not attend the Meeting in person.** Shareholders are strongly urged to vote on the matters before the Meeting by completing a proxy or VIF (as defined below) or the materials provided by their Intermediary (as defined below), as applicable. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.** As a shareholder, you can choose from three different ways to vote your shares by proxy: (a) by mail or delivery in the addressed envelope provided or deposited at the offices of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, on behalf of the Company, so as to arrive not later than 11:00 AM (Vancouver time) on December 7, 2022, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used; (b) by telephone (toll free) at 1-866-732-VOTE (8683); or (c) on the internet at [www.investorvote.com](http://www.investorvote.com), unless the chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently. The above time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

DATED this 2<sup>nd</sup> day of November, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

“*Craig Taylor*”

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Craig Taylor, CEO and Director

**DEFENSE METALS CORP.**  
Suite 228 – 1122 Mainland Street  
Vancouver, B.C., Canada V6B 5L1

**MANAGEMENT INFORMATION CIRCULAR**  
as at November 2, 2022

**SOLICITATION OF PROXIES**

**This management information circular (“Circular”) is provided in connection with the solicitation of proxies by management of Defense Metals Corp. (the “Company”) for use at an annual general and special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares (“Common Shares”) in the capital of the Company.** The Meeting will be held on Friday, December 9, 2022 at 11:00 AM (Vancouver time) at Suite 228 – 1122 Mainland Street Vancouver, B.C. Canada V6B 5L1 or at such other time or place to which the Meeting may be adjourned, for the purposes set forth in the notice of annual general and special meeting accompanying this Circular (the “Notice”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Company.

These securityholder materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner of Common Shares, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary (“**Intermediary**”) holding Common Shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (a “**Proxy**”). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy.

All time references in this Circular are references to Vancouver, British Columbia, Canada time.

**APPOINTMENT AND REVOCATION OF PROXIES**

**Appointment of a Proxy**

**Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to Computershare Investor Services Inc. (the “Transfer Agent”), at Proxy Department, 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1.**

**The persons named as proxyholders in the Proxy accompanying this Circular are directors or officers of the Company, or persons designated by management of the Company, and are representatives of the Company’s management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the management nominee designated in the Proxy may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person’s name in the blank space provided in the accompanying Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Proxy should notify such alternative nominee of the appointment, obtain the nominee’s consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).**

**In order to validly appoint a proxy, Proxies must be received by the Transfer Agent, at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof.** After such time, the chairman of the Meeting may accept or reject a Proxy delivered to him in his discretion but is under no obligation to accept or reject any particular late Proxy.

### **Revoking a Proxy**

A registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Company or the Transfer Agent at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

Only registered shareholders have the right to revoke a proxy. Non-registered shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke the proxy on their behalf. Intermediaries may have different rules and procedures relating to proxy instructions and non-registered shareholders should contact their Intermediary for additional information.

### **Signature on Proxies**

The Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Company).

### **Voting of Proxies**

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Proxy. Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.

**The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE PROXY AND BELOW.** If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, management of the Company knows of no such amendments or variations or other matters to come before the Meeting.

### **Advice to Beneficial Shareholders**

**The information set forth in this section is of significant importance to a substantial number of the Shareholders who do not hold their Common Shares in their own names.** Shareholders who do not hold their Common Shares in their own names (referred to in this 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 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 of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. **Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Company does not know for whose benefit the Common Shares registered in the name of CDS & Co. or other brokers/agents are held.** Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

Non-registered holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners ("NOBOs"). Those non-registered holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("OBOs").

The Company does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Generally, non-registered shareholders who have not waived the right to receive Meeting materials will receive either a voting instruction form or a form of proxy. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting instruction form in lieu of the Instrument of Proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number or website information to deliver the Beneficial Shareholder's voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed voting instruction form as directed by Broadridge well in advance of the Meeting.**

**All references to Shareholders in this Circular, the Instrument of Proxy and the Notice are to Shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered Shareholders who produce proof of their identity.**

#### NOTICE-AND-ACCESS

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

#### INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and as set out herein. For the purpose of this paragraph, "person" shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company's last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b). Certain of the directors and officers may be considered as having an interest in the approval of the Omnibus Plan (as defined herein) given their eligibility for security-based compensation thereunder.

## RECORD DATE AND QUORUM

The board of directors (the “**Board**”) of the Company has fixed the record date for the Meeting as the close of business on November 2, 2022 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting.

Under the Company’s articles, the quorum for the transaction of business at a meeting of shareholders is one or more persons, present in person or by proxy, holding not less than one voting share of the Company entitled to be voted at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On the Record Date, there were 183,374,601 Common Shares issued and outstanding, with each Common Share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by Proxy at the Meeting or any adjournment thereof. The outstanding Common Shares are listed on the TSX Venture Exchange (the “**Exchange**”) under the symbol “DEFN”.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

## VOTES NECESSARY TO PASS RESOLUTIONS

Unless indicated otherwise, in order to pass the resolutions described herein, a majority of the votes cast at the Meeting or in person or by proxy must be voted in favour of the resolutions.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company’s directors, the only matters to be placed before the Meeting are those set forth in the accompanying notice of Meeting and more particularly discussed below.

### Presentation of Financial Statements

The annual financial statements of the Company for the financial year ended March 31, 2022, together with the auditor’s report thereon, will be placed before the Meeting. The Company’s financial statements are available on the System of Electronic Document Analysis and Retrieval (“**SEDAR**”) website at [www.sedar.com](http://www.sedar.com). No approval or other action needs to be taken at the Meeting in respect of the financial statements.

### Election of Directors

The Company proposes to fix the number of directors of the Company at six (6) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors. All of the nominees have expressed their willingness to serve on the Board.

**Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy will vote the Common Shares represented by such form of proxy, properly executed, FOR the election of each of the nominees whose names are set forth below.**

The following table sets out the names of the management nominees; their positions and offices in the Company; the province or state and country in which he or she is ordinarily resident; the period of time that they have been directors of the Company; and the number of Common Shares which each beneficially owns or over which control or direction is exercised as at the date of this Circular. Max Sali, a current director of the Company, will not stand for re-election to the Board.

Name, Residence and Present Position within the Company	Director / Officer Since	Number of Shares Beneficially Owned, or Controlled, or Directed, Directly or Indirectly <sup>(1)</sup>	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>
<b>Craig Taylor</b> <sup>(2)</sup> British Columbia, Canada <i>Director &amp; CEO</i>	Director since February 12, 2018 and CEO since April 24, 2019	2,496,000	CEO and director of the Company; and director and/or officer of other private and public companies.
<b>Ryan Cheung</b> British Columbia, Canada <i>Director, CFO and Corporate Secretary</i>	Director, CFO and Corporate Secretary since April 24, 2019	85,000	Owner and founder of MCPA Services Inc. Chartered Professional Accountants.
<b>Dr. Luisa Moreno</b> Ontario, Canada <i>Director</i>	Director since October 25, 2021 and President since January 17, 2022	Nil	Managing Partner at Tahuti Global Inc.; officer and director of several green materials and technology companies; and former Financial and Senior Equity Analyst (at several Canadian financial research and investment banking firms).
<b>Kris Raffle, P.Geo</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	Director since March 17, 2017	60,000	Professional Geoscientist registered with the Association of Engineers and Geoscientists of British Columbia (APEGBC) since 2007; Principal Geologist and Partner with the Edmonton-based private geologic consulting firm of APEX Geosciences Ltd.
<b>Andrew Burgess</b> <sup>(2)</sup> Alberta, Canada <i>Director</i>	Director since January 8, 2019	4,175,897	Chartered Accountant and a Certified Public Accountant.
<b>Dr. William Bird</b> British Columbia, Canada <i>Director</i>	Director since January 17, 2022	Nil	Professional Registered Geoscientist specializing in rare-earth deposits and providing consultation and advice to mineral-resource companies.

**Notes:**

- (1) The information as to principal occupation, business or employment, and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Denotes a member of the Audit Committee of the Company.

The Company does not at present have an executive committee or any other committees, other than an audit committee (the “**Audit Committee**”) as required by the *Business Corporations Act* (British Columbia).

Craig Taylor, Kris Raffle and Andrew Burgess are the current members of the Audit Committee.

**Corporate Cease Trade Orders, Bankruptcies, and Sanctions**

Except as disclosed below, to the knowledge of the Company, no proposed director of the Company is, or has been, within the 10 years prior to the date of this Circular, a director or executive officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting in that capacity;
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to act in that capacity, and which resulted from an event that occurred while that person was acting in that capacity; or
- (c) 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.

Mr. Ryan Cheung, while acting as chief financial officer of DMG Blockchain Solutions Inc. (“**DMG**”), DMG was subject to a failure-to-file financial statements cease trade order (“**FFCTO**”) issued by the regulator in each of British Columbia and Ontario on February 1, 2019. The FFCTO was revoked on August 28, 2019.

Mr. Ryan Cheung was also formerly the chief financial officer, chief executive officer and a director of Xemplar Energy Corp. (“**Xemplar**”) which is subject to a cease trade order issued by the Alberta Securities Commission on August 7, 2015 relating to the failure to file Xemplar’s audited annual financial statements, the annual management’s discussion and analysis and the certification of annual filings for the year ended December 31, 2014 and, the failure to file Xemplar’s interim unaudited financial statements, interim management’s discussion and analysis and certification of interim filings for the period ended March 31, 2015. The cease trade order has not been revoked as of the date of this Prospectus. Mr. Cheung resigned as chief financial officer on April 30, 2013 and resigned as chief executive officer and director on April 28, 2015.

Mr. Burgess was the Chief Financial officer of Goldnev Resources Inc. (“**Goldnev**”) when in August 2011 it was subject of an order that halted the trading of its common shares for failure to file financial statements which order was not revoked within 30 days of its issuance. Goldnev could not complete its audited financial statements because it did not have sufficient resources to pay its auditors. The common shares of Goldnev were subsequently cease traded. Mr. Burgess was required to attend the Venture Filings Fundamentals seminar sponsored by the Exchange with respect to certain deficiencies in reporting to the Exchange by Goldnev.

Mr. Burgess was a director of Trius Investments Inc. (“**Trius**”) in 2016 when the Exchange completed a review which resulted in a Notice to Comply by the Exchange citing contraventions of Exchange policies with respect to related party transactions. Subsequently, the directors of the company were required and complied to reimburse Trius for certain losses incurred with respect to these transactions.

To the knowledge of the Company, no proposed director of the Company is, or has been, within the 10 years prior to the date of this Circular, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### Advance Notice Policy

The Company’s Advance Notice Policy sets forth procedures for Shareholders to nominate a person for election as a director of the Company and stipulates a deadline by which Shareholders must notify the Company of their intention to nominate directors and information that must be provided in respect of the nominating Shareholder and their director nominee(s). As of the date of this Information Circular, the Company has not received any director nominations pursuant to the Advance Notice Policy.

#### **Appointment of Auditor**

Management is recommending that Shareholders vote to re-appoint Smythe LLP Chartered Professional Accountants, of Vancouver, British Columbia, as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. Smythe LLP Chartered Professional Accountants was first appointed as the independent auditor of the Company effective October 24, 2018.

**Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Smythe LLP Chartered Professional Accountants as auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.**

#### **Approval of Omnibus Plan**

The Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the Company’s new omnibus equity incentive compensation plan (the “**Omnibus Plan**”). On November 24, 2021, the Exchange updated its Policy 4.4 – *Security Based Compensation* (the “**New Policy 4.4**”) to allow for various forms of security-based compensation. The Board determined that it is in the best interest of the Company to adopt the Omnibus Plan pursuant to

terms of the New Policy 4.4 and has approved the Omnibus Plan on November 2, 2022 subject to further approval by the Shareholders. The Omnibus Plan, if approved by the Shareholders at the Meeting and the Exchange, will replace the Company's existing stock option plan (the "**Option Plan**") and all of the Options granted under the replaced Option Plan will continue under the Omnibus Plan. A summary of the Omnibus Plan is set out under "Securities Authorized for Issuance Under Equity Compensation Plans". A copy of the Omnibus Plan is attached as Schedule "B" to this Circular.

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution:

"BE IT RESOLVED THAT:

- (a) subject to acceptance by the Exchange, the omnibus equity incentive compensation plan (the "**Omnibus Plan**") attached as Schedule "B" to the management information circular of the Company dated November 2, 2022, replacing the Company's existing stock option plan, is hereby approved, confirmed and ratified;
- (b) the number of Common Shares of the Company that are issuable pursuant to the Omnibus Plan are hereby allotted, set aside and reserved for issuance pursuant thereto;
- (c) any director or officer of the Company is hereby authorized to amend the Omnibus Plan should such amendments be required to satisfy the requirements or requests of the Exchange or any other regulatory authorities without requiring further approval of the Shareholders; and
- (d) any director or officer is hereby authorized to execute and deliver all such agreements, certificates, instruments, documents and other writings and perform such acts as may be necessary in order to give effect to foregoing resolution and the Board, from time to time, is hereby authorized to grant the Awards (as defined in the Omnibus Plan) in accordance with the provisions of the Omnibus Plan and the policies of the Exchange.

In order to be effective, this resolution requires the approval of a majority of the votes cast by the Shareholders who vote in respect of the resolution.

**Management of the Company believes the approval of the Omnibus Plan as described above is in the best interests of the Company and recommends that shareholders vote in favour of the ordinary resolution approving the Omnibus Plan.**

#### OTHER MATTERS

As of the date of this Circular, the management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

#### STATEMENT OF EXECUTIVE COMPENSATION

Set out below are particulars of compensation paid to the directors and the named executive officers of the Company. "**Named Executive Officer**" or "**NEO**" means each of the following individuals:

- (a) the Company's chief executive officer ("**CEO**");
- (b) the Company's chief financial officer ("**CFO**");
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at March 31, 2022, the end of the most recently completed financial year of the Company, the Company had two

(2) NEOs, whose name and positions held within the Company are set out in the summary compensation table below.

### Director and Named Executive Officer Compensation

The following table is a summary of compensation awarded to, earned by, paid to, or payable to the NEO and directors of the Company for the two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Craig Taylor</b> <i>CEO and Director</i>	2022	270,000 <sup>(2)</sup>	Nil	Nil	Nil	100,000 <sup>(5)</sup>	370,000
	2021	248,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	248,000
<b>Ryan Cheung</b> <i>Director, CFO &amp; Corp. Sec.</i>	2022	82,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	82,000
	2021	42,500 <sup>(3)</sup>	Nil	Nil	Nil	Nil	42,500
<b>Max Sali</b> <sup>(10)</sup> <i>Director</i>	2022	50,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil	50,000
	2021	47,500 <sup>(5)</sup>	Nil	Nil	Nil	Nil	47,500
<b>Kris Raffle</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	817,724 <sup>(6)</sup>	817,724
	2021	Nil	Nil	Nil	Nil	121,432 <sup>(6)</sup>	121,432
<b>Andrew Burgess</b> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Dr. Luisa Moreno</b> <i>Director</i>	2022 <sup>(7)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
	2021 <sup>(7)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Dr. William Bird</b> <i>Director</i>	2022 <sup>(8)</sup>	6,000 <sup>(9)</sup>	Nil	Nil	Nil	Nil	6,000
	2021 <sup>(8)</sup>	N/A	N/A	N/A	N/A	N/A	N/A

#### Notes:

- (1) Year ended March 31.
- (2) All compensation was awarded to, earned by, paid to, or payable for services as CEO of the Company.
- (3) All compensation was awarded to, earned by, paid to, or payable for services as CFO of the Company.
- (4) All compensation was awarded to, earned by, paid to, or payable for services as a director of the Company.
- (5) Paid for services related to the closing of the Company's private placement completed in May 2021.
- (6) All compensation was awarded to, earned by, paid to, or payable to Apex Geosciences Ltd., a company of which Kris Raffle is a principal, for geological consulting services and related work provided to the Company.
- (7) Dr. Luisa Moreno was appointed as a director of the Company on October 25, 2021 and as president of the Company on January 17, 2022.
- (8) Dr. William Bird was appointed as a director of the Company on January 17, 2022.
- (9) All compensation was awarded to, earned by, paid to, or payable for services as a director of the Company.
- (10) Mr. Sali is not seeking re-election to the Board.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries during the financial year ended March 31, 2022, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(1)</sup> (\$)	Expiry Date

<b>Craig Taylor</b> <sup>(2)</sup> <i>CEO and Director</i>	Stock Options	100,000 (<1%)	July 16, 2021	\$0.25	\$0.23	\$0.29	July 15, 2024
	Stock Options	2,000,000 (<1%)	Jan. 21, 2022	\$0.26	\$0.255	\$0.29	Jan. 21, 2025
<b>Ryan Cheung</b> <sup>(3)</sup> <i>Director, CFO &amp; Corporate Secretary</i>	Stock Options	700,000 (<1%)	Jan. 21, 2022	\$0.26	\$0.255	\$0.29	Jan. 21, 2025
<b>Max Sali</b> <sup>(4)</sup> <i>Director</i>	Stock Options	100,000 (<1%)	July 16, 2021	\$0.25	\$0.23	\$0.29	July 15, 2024
	Stock Options	700,000 (<1%)	Jan. 21, 2022	\$0.26	\$0.255	\$0.29	Jan. 21, 2025
<b>Kris Raffle</b> <sup>(5)</sup> <i>Director</i>	Stock Options	100,000 (<1%)	July 16, 2021	\$0.25	\$0.23	\$0.29	July 15, 2024
	Stock Options	700,000 (<1%)	Jan. 21, 2022	\$0.26	\$0.255	\$0.29	Jan. 21, 2025
<b>Andrew Burgess</b> <sup>(6)</sup> <i>Director</i>	Stock Options	200,000 (<1%)	Jan. 21, 2022	\$0.26	\$0.255	\$0.29	Jan. 21, 2025
<b>Luisa Moreno</b> <sup>(7)</sup> <i>Director</i>	Stock Options	300,000 (<1%)	Oct. 25, 2021	\$0.27	\$0.265	\$0.29	Oct. 25, 2024
	Stock Options	700,000 (<1%)	Jan. 21, 2022	\$0.26	\$0.255	\$0.29	Jan. 21, 2025
<b>William Bird</b> <sup>(8)</sup> <i>Director</i>	Stock Options	300,000 (<1%)	Jan. 17, 2022	\$0.22	\$0.22	\$0.29	Jan. 17, 2025

**Notes:**

- (1) Year ended March 31, 2022.
- (2) As at March 31, 2022, Mr. Taylor held a total of 3,400,000 stock options.
- (3) As at March 31, 2022, Mr. Cheung held a total of 700,000 stock options.
- (4) As at March 31, 2022, Mr. Sali held a total of 1,270,000 stock options. Mr. Sali is not seeking re-election to the Board.
- (5) As at March 31, 2022, Mr. Raffle held a total of 1,325,000 stock options.
- (6) As at March 31, 2022, Mr. Burgess held a total of 465,000 stock options.
- (7) Dr. Luisa Moreno was appointed as a director of the Company on October 25, 2021 and as president of the Company on January 17, 2022. As at March 31, 2022, Dr. Moreno held a total of 1,000,000 stock options.
- (8) Dr. William Bird was appointed as a director of the Company on January 17, 2022. As at March 31, 2022, Dr. Bird held a total of 300,000 stock options.

**Exercise of Compensation Securities by Directors and NEOs**

During the most recently completed financial year, the NEOs and directors did not exercise any Options under the Option Plan in respect of the Common Shares.

**Stock Option Plans and Other Incentive Plans**

The Board determined that it is in the best interest of the Company to adopt the Omnibus Plan pursuant to terms of the New Policy 4.4 and has approved the Omnibus Plan on November 2, 2022 subject to further approval by the Shareholders. The Omnibus Plan, if approved by the Shareholders at the Meeting and the Exchange, will replace the Option Plan and all of the Options granted under the replaced Option Plan will continue under the Omnibus Plan. A summary of the Omnibus Plan is set out under “Securities Authorized for Issuance Under Equity Compensation Plans”. A copy of the Omnibus Plan is attached as Schedule “B” to this Circular. See “Approval of Stock Option Plan” above and “Securities Authorized for Issuance Under Equity Compensation Plans” below for the material terms of the Option Plan and the Omnibus Plan. The Option Plan was previously approved by Shareholders at the annual general and special meeting held on December 3, 2021.

**Employment, Consulting and Management Agreements**

There are no written employment contracts between the Company and any Named Executive Officer or director.

576112 B.C. Ltd. (a company owned and controlled by Craig Taylor) entered into a consulting agreement with the Company dated as of July 1, 2021, (the “**CEO Agreement**”). Pursuant to the CEO Agreement, Mr. Taylor has agreed to provide his services as Chief Executive Officer at a base remuneration of \$25,000 per month. Additional remuneration or compensation (whether a bonus or other form of additional remuneration, including stock options, equity or other compensation) rests in the sole discretion of the Company. The term of the CEO Agreement continues until terminated in accordance with termination provisions therein. The Company may terminate the CEO Agreement at any time, for material breach of any of the terms and conditions of the CEO Agreement (a “material breach” includes, but is not limited to, the failure or refusal of Mr. Taylor to perform the services required at an acceptable level or standard, provided that he has been provided written notice of such failure and has not corrected its behaviour within 20 days of receiving such notice and provided further that he shall only be entitled to correct its behaviour pursuant to the notification on a one-time basis). If Mr. Taylor is prevented by reason of illness, or mental or physical disability or incapacity from carrying out services for 365 consecutive days or more than 182 days in aggregate, the Company may terminate the CEO Agreement by providing notice in writing and the CEO Agreement automatically terminates,

without notice or payment in lieu thereof, upon death, any material dishonesty on part of Mr. Taylor affecting the Company, conviction of Mr. Taylor for an indictable offence or for any crime involving fraud or misrepresentation, a material conflict of interest as described in the CEO Agreement, wilful and intentional act on the part of Mr. Taylor (as described in the CEO Agreement) and any other cause or reason which would entitle Mr. Taylor to terminate Mr. Taylor's engagement without notice or compensation in lieu of notice. Notwithstanding the foregoing, if the Company terminates this Agreement pursuant to due to the death or permanent disability of Mr. Taylor and such death or permanent disability occurred during or resulted directly from Mr. Taylor's performance of the services required under the CEO Agreement, then the Company shall pay to Mr. Taylor a lump sum termination payment equal to three (3) times the annual base fee in effect as of the termination date and the average of the annual bonuses or other cash incentive payments paid by the Company to Mr. Taylor for the two calendar years immediately preceding the year in which the termination occurred.

The Company may terminate the CEO Agreement by giving at least sixty (60) days advance notice in writing to Mr. Taylor, provided that on receipt of such notice of termination, Mr. Taylor may elect to accept such notice of termination effective immediately in which case Mr. Taylor's engagement will terminate immediately upon such acceptance by Mr. Taylor. The provided notice under this section must be supported by the majority of the Board.

Mr. Taylor may terminate this Agreement upon the happening of any one or more triggering events (a "triggering event" includes, but is not limited to, a substantial change to the nature of the services to be performed, a material breach by the Company of any provision of the CEO Agreement that is not remedied, requirement for Mr. Taylor to relocate to another city, the Company ceasing to operate as a going concern, a material reduction in the base fee payable under the CEO Agreement, or the incumbent directors ceasing to constitute a majority of the Board) by providing written notice to the Company and the Company shall pay to Mr. Taylor a lump sum termination payment equal to two (2) times the annual base fee in effect as of the termination date and the average of the annual bonuses or other cash incentive payments paid by the Company to Mr. Taylor for the two (2) calendar years immediately preceding the year in which the termination occurred.

If a change of control in the Company occurs at any time after July 1, 2021 and if, in respect of Mr. Taylor, a triggering event subsequently occurs within one (1) year of the change of control, Mr. Taylor shall be entitled to elect to terminate its engagement with the Company and receive a lump sum termination payment equal to two (2) times the annual base fee in effect as of the termination date and the average of the annual bonuses or other cash incentive payments paid by the Company to Mr. Taylor for the two (2) calendar years immediately preceding the year in which the termination occurred.

### **Termination and Change of Control Benefits**

Other than as disclosed herein, the Company does not have any plan or arrangement to pay or otherwise compensate any NEO if their employment is terminated as a result of resignation, retirement, change of control, or if their responsibilities change following a change of control. See "Employment, Consulting and Management Agreements".

### **Oversight and description of director and named executive officer compensation**

The objective of the Company's compensation program is to compensate the executive officers and directors for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers and directors based on their skill, qualifications, experience level, past performance, level of involvement, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value. The Company may provide medical and dental benefits but it does not provide pension or other benefits to the executive officers. The Board members may also be paid a monthly consulting fee or other bonuses based on the criteria set forth herein.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial

input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the security-based compensation to be made pursuant to the Option Plan or Omnibus Plan, as application. Previous grants security-based compensation are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

On March 24, 2017, the Company adopted the Option Plan, which provides that the Board may from time to time, in its discretion, and in accordance with the requirements of the Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance, together with any options issued to Eligible Charitable Organizations, will not exceed 10% of the issued and outstanding Common Shares. Such options will be exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares, the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to persons employed to provide investor relations services will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised no later than 60 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. "**Eligible Charitable Organization**" means: (a) any "Charitable Organization" or "Public Foundation" which is a "Registered Charity", but is not a "Private Foundation" (as such terms are defined in the *Income Tax Act* (Canada)), or (b) a "Registered National Arts Service Organization" (as such term is defined in the *Income Tax Act* (Canada)). As of March 31, 2022, the Company did not have any equity compensation plans other than the Option Plan.

The only compensation plan under which equity securities are authorized for issuance as at the fiscal year ended March 31, 2022 is the Option Plan. The following table sets forth securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company's most recently completed financial year (March 31, 2022).

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights <sup>(1)</sup>	Weighted-average exercise price of outstanding Options, warrants and rights <sup>(1)</sup>	Number of securities remaining available for future issuance under equity compensation plans <sup>(1)</sup>
Equity compensation plans approved by securityholders – (the Option Plan) <sup>(2)</sup>	15,466,333	\$0.255	665,289
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	15,466,333	\$0.255	665,289

### Notes:

- (1) As at March 31, 2022.
- (2) The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of Options. As at March 31, 2022, the Company had 161,316,221 common shares issued and outstanding.

On November 2, 2022, the Board determined that it is in the best interest of the Company to adopt the Omnibus Plan pursuant to terms of the New Policy 4.4 and approved the Omnibus Plan which remains subject to approval by the Exchange and the Shareholders at the Meeting. The Omnibus Plan, if approved by the Shareholders at the Meeting and the Exchange, will replace the Company's Option Plan and all of the Options granted under the replace Option Plan will continue under the Omnibus Plan.

## Summary of the Omnibus Plan

The principal terms of the Omnibus Plan are summarized below. The summary is qualified in its entirety by the full text of the Omnibus Plan, which is attached to this Circular as Schedule “B”.

### Overview

The Omnibus Plan will facilitate granting of Common Share purchase options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**” collectively with the RSUs and PSUs, the “**Units**”, and collectively with the Options, the “**Awards**”), representing the rights to receive Common Shares and/or cash equivalent, to the *bona fide* eligible directors, officers, employees and consultants of the Company in accordance with the terms of the Omnibus Plan (each such person having been granted an Award being, a “**Participant**”).

The maximum number of Common Shares issuable at any time pursuant to outstanding Awards under the Omnibus Plan will be equal to the following: (i) in respect to grants of Options under the Omnibus Plan, 10% of the total number of Common Shares that are issued and outstanding (the “**Issued Shares**”) as of the date of any Option grant, and (ii) in respect to grants of Units under the Omnibus Plan, 18,337,460 Common Shares representing 10% of the Issued Shares of the Company as at the date of this Circular.

Common Shares that are covered by the Awards that have been granted pursuant the Omnibus Plan shall not be available for subsequent Award grants under the Omnibus Plan provided that (i) Common Shares covered by Options which have been exercised, and Options which expired or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason, will be available for subsequent Option grants under the Omnibus Plan; and (ii) Common Shares covered by Units which have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no Common Shares have been issued shall be available for subsequent Unit grants under the Omnibus Plan. Accordingly, the Omnibus Plan is a “rolling plan” with respect to the Options only, and as a result, any and all increases to the number of issued and outstanding Common Shares will result in an increase to the number of Options available for grant.

The number of Common Shares issuable to insiders, at any time, under all security-based compensation arrangements of the Company, may not exceed 10% of the Issued Shares and the number of Common Shares issued to insiders within any one-year period, under all security based compensation arrangements of the Company, may not exceed 10% of the Issued Shares. The maximum number of Common Shares that may be made issuable pursuant to Awards made to any one Participant under the Omnibus Plan together with any other security-based compensation arrangement in any 12-month period shall not exceed 5% of the Issued Shares calculated at the date of grant. The aggregate number of under all security-based compensation arrangements to any one Participant that is a Consultant in any 12-month period must not exceed 2% of the Issued Shares calculated at the date of grant.

Units may not be granted to Persons performing Investor Relations Activities, provided that such Persons may receive Options under the Omnibus Plan. The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed two percent (2%) of the Issued Shares in any 12-month period calculated at the date of grant (and including any Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities). Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant and with no more than twenty-five percent (25%) of the Options vesting in any three-month period.

No Award (other than Options) may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be a Participant under the provisions hereof in connection with a change of control, take-over bid, reverse take-over or other similar transaction.

The Omnibus Plan will provide that subject to approval by the Exchange, appropriate adjustments, if any, will be made by the Board in connection with any corporate event or transaction involving the Company (including, but not limited to, a change in the Common Shares or the capitalization of the Company), such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split-up, spin-off, combination of shares, exchange of shares, dividend in kind, extraordinary cash dividend, amalgamation or other like change in capital structure (other than normal cash dividends to shareholders of the Company), or any similar corporate event or transaction, to preclude a dilution or enlargement of the benefits under the Omnibus Plan. Notwithstanding the foregoing, any adjustment, other than in connection with a security consolidation or security split, to outstanding

Awards granted pursuant to the Omnibus Plan are subject to the prior acceptance of the Exchange, including any adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization of the Company.

Other than by will or under the law of succession, or as otherwise set forth in the Omnibus Plan, Awards are not assignable or transferable. Awards may only be exercised: (i) by the Participant to whom the Awards were granted; (ii) with the Company and Exchange's prior written approval and subject to such conditions as the Company may stipulate; (iii) upon the Participant's death, by the legal representative of the Participant's estate; or (iv) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant.

#### Options

The Board shall determine, at the time of granting an Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in the Omnibus Plan or in the Option agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted. The price payable by a Participant to acquire Common Share upon exercising an Option ("**Option Price**") shall be fixed by the Board when such Option is granted, but shall not be less than the closing price of the Common Share on the trading day prior to the Option grant date less any discount permitted by the policies of the Exchange.

Should the expiration date for an Option fall during or within two (2) business days of a Black-Out Period (as defined in the Omnibus Plan), such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) business day after the end of the Black-Out Period, such tenth (10th) business day to be considered the expiration date for such Option for all purposes under the Omnibus Plan. The ten (10) business day period may not be extended by the Board.

The Board, subject to the requirement to obtain shareholder approval per the Exchange policies and the rules of the Exchange, has the discretion to determine the vesting schedule of any Option and the Board shall have the full power and authority to accelerate the vesting or exercisability of all or any portion of any Option. Once a portion of an Option that has vested becomes exercisable, it remains exercisable until expiration of termination of the Option, unless otherwise specified by the Board in connection with the grant of such Option. Notwithstanding the foregoing, Options granted to Persons performing Investor Relations Activities cannot be accelerated without the prior acceptance of the Exchange.

The Omnibus Plan permits net exercise of Options by the Participants. Subject to approval by the Board, vested Options (excluding Options held by any Persons performing Investor Relations Activities), may be exercised without the Participant making any cash payment to the Company pursuant to which the Participant receives the number of Common Shares that is equal to the quotient obtained by dividing (i) the product of (A) the number of Options being exercised, multiplied by (B) the difference between the volume weighted average trading price of Common Shares for the five trading days immediately prior to the exercise of the Option ("**VWAP**") and the exercise price of the Options by (ii) the VWAP.

#### PSU

A PSU is an Award entitling the recipient to receive payment in Common Share and/or cash equivalent once such Award is earned and has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions shall be based upon the achievement of pre-established performance criteria over the performance period (the "**Performance Period**") as well as continuing employment or engagement with the Company.

The Board may, from time to time, grant PSUs to such Participants as it chooses and, subject to the restrictions contained in the Omnibus Plan, in such numbers as it chooses. The grant of PSUs will be subject to the terms and conditions of the Omnibus Plan and in the applicable Award Agreement, and may be subject to additional conditions determined by the Board from time to time. Notwithstanding the foregoing, PSUs may not be granted to Persons performing Investor Relations Services. Each PSU shall consist of a right to receive a Common Share, a cash payment, or a combination thereof, upon the achievement of certain performance criteria during such Performance Period as the Board shall establish, and as set forth in the applicable Award Agreement.

The performance criteria to be achieved during any Performance Period, the length of any Performance Period, the number of PSUs granted and the amount of any payment or transfer to be made pursuant to any PSU shall be determined by the Board and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

The Board shall issue performance criteria prior to any date of grant of a PSU to which such performance criteria pertains. The performance criteria may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Board. The Board may modify the performance criteria as necessary to align them with the Company's objectives, subject to any limitations set forth in a PSU Award Agreement or an employment or other agreement with a Participant. The performance criteria may include a threshold level of performance below which no payment shall be made (or no vesting shall occur), levels of performance at which specified payments shall be made (or specified vesting shall occur) and a maximum level of performance above which no additional payment shall be made (or at which full vesting shall occur), all as set forth in the applicable Award Agreement.

The vesting period or periods within the term following which PSUs may be settled by a Participant shall be determined by the Board and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. Notwithstanding the foregoing, no PSUs issued pursuant to the Omnibus Plan may vest before the date that is one year following the date it is granted or issued. However, vesting may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Omnibus Plan in connection with a change of control, takeover bid, reverse takeover or other similar transaction.

The Board shall have authority to determine the settlement terms, including time of settlement, applicable to the grant of PSUs and such terms shall be set forth in the applicable PSU Award Agreement. Except as otherwise provided in an PSU Award Agreement, on the settlement date for any PSU, each vested PSU shall be redeemed for: (i) one Common Share from treasury to the Participant or as the Participant may direct; or (ii) a cash payment equal to the number of PSUs being settled multiplied by the VWAP as at the applicable settlement date; or (iii) a combination of Common Shares and cash as contemplated by (i) and (ii) above; in each case as determined by the Board in its discretion as set forth in the applicable Award Agreement.

#### RSU

A RSU is an Award granted for services rendered in a particular year entitling the recipient to receive payment based on the value of one Common Share once such Award has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Company.

The Board may, from time to time, grant RSUs to such Participants as it chooses and, subject to the restrictions contained in the Omnibus Plan, in such numbers as it chooses. The grant of RSUs will be subject to the terms and conditions of the Omnibus Plan and in the applicable Award Agreement, and may be subject to additional conditions determined by the Board from time to time. Notwithstanding the foregoing, RSUs may not be granted to Persons performing Investor Relations Activities. The number of RSUs (including fractional RSUs) granted at any particular time pursuant to the Omnibus Plan will be calculated by dividing (i) the amount of any compensation that is to be paid in RSUs to a Participant, as determined by the Board, by (ii) the Market Price (as that term is defined in Exchange Policy 1.1 – *Interpretation* (“**Policy 1.1**”) of a Common Share on the date of grant.

The vesting period or periods within the term following which RSUs may be settled by a Participant shall be determined by the Board and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. Notwithstanding the foregoing, no RSUs issued pursuant to the Omnibus Plan may vest before the date that is one year following the date it is granted or issued. However, the vesting required by the provisions of the Omnibus Plan may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Omnibus Plan in connection with a change of control, takeover bid, reverse takeover or other similar transaction.

The Board shall have authority to determine the settlement terms, including time of settlement, applicable to the grant of RSUs and such terms shall be set forth in the applicable RSU Award Agreement. Except as otherwise provided in an RSU Award Agreement, on the settlement date for any RSU, each vested RSU shall be redeemed for: (i) one Common Share from treasury to the Participant or as the Participant may direct; or (ii) cash payment equal to the number of RSUs being settled multiplied by the VWAP as at the applicable settlement date; or (iii) a combination of Common Shares and cash as contemplated by (i) and (ii) above; in each case as determined by the Board in its discretion as set forth in the applicable Award Agreement.

#### DSU

The Board may, from time to time, fix a portion of the director fees that is to be payable in the form of DSUs. The terms and conditions of a DSU grant shall be in the form of an Award Agreement. The grant of DSUs will be subject

to the terms and conditions of the Omnibus Plan and in the applicable Award Agreement, and may be subject to additional conditions determined by the Board from time to time. In addition, Board members may elect (an “**Electing Person**”), subject to the conditions contained in the Omnibus Plan, to participate in the grant of additional DSUs pursuant to the provisions of the Omnibus Plan. An Electing Person who elects to participate in the grant of additional DSUs pursuant to the provisions of the Omnibus Plan shall receive their Elected Amount (as that term is defined below) in the form of DSUs in lieu of cash. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that are otherwise intended to be paid in cash (the “**Cash Fees**”). Each Electing Person who elects to receive their Elected Amount in the form of DSUs in lieu of cash will be required to file a notice of election in the form of (the “**Election Notice**”) with the CFO by December 31 in the year prior to the year to which such election is to apply. Subject to the applicable provisions of the Omnibus Plan, the election of an Electing Person shall be deemed to apply to all Cash Fees that would be paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years. Each Electing Person is entitled once per calendar year to terminate his or her election to receive DSUs in lieu of Cash Fees by filing with the CFO a notice. Such termination shall be effective immediately upon receipt of such notice, provided that the Company has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with the applicable provisions of the Omnibus Plan, all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to the Omnibus Plan, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs in lieu of cash again until the calendar year following the year in which the termination notice is delivered. Any DSUs granted pursuant to the Omnibus Plan prior to the delivery of a termination notice shall remain in the Omnibus Plan following such termination and will be redeemable only in accordance with the terms of the Omnibus Plan. The number of DSUs (including fractional DSUs) granted at any particular time pursuant to the Omnibus Plan will be calculated by dividing (i) the amount of any compensation that is to be paid in DSUs (including Director Fees and any Elected Amount), as determined by the Board, by (ii) the Market Price (as that term is defined in Policy 1.1) of a Common Share on the date of grant. The grant of a DSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a DSU. Notwithstanding the foregoing, DSUs may not be granted to Persons performing Investor Relations Activities.

The vesting period or periods within the term following which DSUs may be settled by a Participant shall be determined by the Board and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. Notwithstanding the foregoing, no DSUs issued pursuant to the Omnibus Plan may vest before the date that is one year following the date it is granted or issued. However, the vesting required may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Omnibus Plan in connection with a change of control, takeover bid, reverse takeover or other similar transaction.

DSUs shall be settled on the date established in the Award Agreement; provided however that in no event shall a DSU be settled prior to a Participant’s retirement, termination of employment or directorship or death, or later than December 31 in the calendar year following the date of the applicable Participant’s retirement, termination or death. If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of the Participant’s retirement, termination or death. Except as otherwise provided in a DSU Award Agreement, on the settlement date for any DSU, each vested DSU shall be redeemed for: (i) one Common Share from treasury to the Participant or as the Participant may direct; or (ii) a cash payment equal to the number of DSUs being settled multiplied by the VWAP as at the applicable settlement date; or (iii) a combination of Common Shares and cash as contemplated by (i) and (ii) above; in each case as determined by the Board in its discretion as set forth in the applicable Award Agreement.

Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Common Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Common Shares have been issued and delivered.

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Company, as of the date of grant.

#### U.S. Participants

The Omnibus Plan includes an addendum (“**Addendum**”) for U.S. Participants. The provisions of the Addendum apply to Options and Units granted to or held while a U.S. Participant. For the purpose of the Omnibus Plan, “U.S. Participant” means a Participant who is a United States citizen or United States resident alien as defined for purposes

of Section 7701(b)(1)(A) of the U.S. Internal Revenue Code or for whom an Award is otherwise subject to taxation under the U.S. Internal Revenue Code; provided, however, that a Participant shall be a U.S. Participant solely with respect to those affected Awards.

The Addendum contains, among other things, additional limits on the number of Options available for grant to U.S. Participants. In particular, the number of Options that may be granted under the Addendum to any U.S. Participant shall not exceed 18,337,460 Common Shares. Notwithstanding the foregoing, the aggregate number of Common Shares which may be issued under the Omnibus Plan in respect of Options shall not exceed the number permitted by the stock exchange having jurisdiction or authority over the securities of the Company or the Omnibus Plan, and if the aggregate number of Common Shares which may be issued under the Omnibus Plan in respect of Options does exceed the permissible number under the applicable stock exchange policies or rules, then such aggregate number shall be reduced to the extent considered necessary or desirable to bring such provision into compliance therewith.

#### Amendments

The Board may, without notice and without shareholder approval, amend, modify, change, suspend or terminate the Omnibus Plan or any Awards as it determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the plan or any Awards may materially impair any outstanding rights of a participant without the consent of the participant, unless the Board determines such adjustment is required or desirable in order to comply with any applicable securities laws or the policies of the Exchange.

Notwithstanding the foregoing, and subject to any policies of the Exchange and/or applicable securities laws, shareholder approval must be obtained for any amendment that would have the effect of, among other things:

- (a) increasing the percentage of Common Shares reserved for issuance under the Omnibus Plan, except pursuant to the provisions that permit the Board to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the percentage limits on Common Shares issuable or issued to any person or category of persons;
- (c) reducing the exercise price of an Option except pursuant to the provisions in the Omnibus Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) amending an Award that results in a benefit to an insider of the Company, in which case disinterested shareholder approval is required;
- (e) amending any method or formula for calculating prices, values or amounts under the Omnibus Plan that may result in a benefit to a Participant;
- (f) extending the term of an Award beyond the original expiry date (except where the expiry date would have fallen within any blackout period applicable to such Participant);
- (g) permitting any Option to be exercisable beyond ten (10) years from its date of grant (except where the expiry date would have fallen within any blackout period applicable to such Participant);
- (h) increasing or removing the limits on the participation of directors;
- (i) amending the amendment provisions of the Omnibus Plan;
- (j) amending the termination or early termination provisions of the Omnibus Plan or an Award;
- (k) changing the eligible participants under the Omnibus Plan; or
- (l) amendments required to be approved by shareholders under applicable law (including any policies of the Exchange).

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or “routine indebtedness”, as that term is defined in Form 51-102F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*, none of: (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer; (b) the proposed nominees for election as directors; or (c) any associates of the foregoing persons, is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein or in the Company’s financial statements, no informed person (a director, executive officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

On November 22, 2018, the Company entered into an option agreement (the “**Option Agreement**”) to acquire all of the issued and outstanding shares of Spectrum Mining Corporation (“**Spectrum**”) which is a subsidiary of the Company and the beneficial and registered holder of a 100% interest in six mining claims located in the Cariboo Mining Division of British Columbia, Canada known as the Wicheeda Rare Earth Elements project (the “**Wicheeda REE Project**”). In order to exercise the option and acquire Spectrum, the Company incurred certain expenditures and made certain cash and share payments. Andrew Burgess became a director of the Company on January 18, 2019. Mr. Burgess was also the chief financial officer and owned less than 10% of the shares of Spectrum. On January 14, 2022, the Company exercised the option pursuant to the Option Agreement and acquired the Wicheeda REE Project through the acquisition of all of the issued and outstanding shares of Spectrum.

## MANAGEMENT CONTRACTS

Except as disclosed herein, management functions of the Company are not to any substantial degree performed by anyone other than by the directors or executive officers of the Company. See “Employment, Consulting and Management Agreements” above.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators (“**CSA**”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### Board of Directors

The composition of the Board currently consists of the following seven members: Craig Taylor, Ryan Cheung, Craig Taylor, Kris Raffle, Andrew Burgess, Luisa Moreno and William Bird, each of whom, except Mr. Sali, is standing for re-election to the Board at the Meeting.

Two of the current directors of the Company are considered “independent” within the meaning of NI 58-101. A director is “independent” if the director has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgement. The current independent members of the Board are Andrew Burgess and Dr. William Bird. Max Sali is not considered to be independent as he was previously the CEO of the Company. Mr. Sali is not seeking re-election to the Board at the Meeting. Craig Taylor and Ryan Cheung are not considered to be independent

as they are senior officers of the Company. Kris Raffle is not considered to be independent as he has received, directly or indirectly, consulting fees from the Company other than as remuneration for acting in his capacity as a member of the Board. Dr. Luisa Moreno is not considered to be independent as she is the President of the Company and has received, directly or indirectly, consulting fees from the Company other than as remuneration for acting in her capacity as a member of the Board.

### Other Directorships

The following table sets forth the current directors of the Company who are directors of other reporting issuers as at the date of this Circular:

Name	Name of other reporting issuer
Craig Taylor	Rex Resources Corp. (Exchange listed) Samurai Capital Corp. (Exchange listed) First Tidal Acquisition Corp. (Exchange listed) Copper King Resources Corp. (unlisted)
Ryan Cheung	Monumental Minerals Corp. (Exchange listed) Midasco Capital Corp. (Exchange listed)
Kris Raffle	Monumental Minerals Corp. (Exchange listed)
Max Sali	Copaur Minerals Inc. (Exchange listed) Monumental Minerals Corp. (Exchange listed) Copper King Resources Corp. (unlisted)
Andrew Burgess	Bonanza Mining Corporation (Exchange listed)
Dr. Luisa Moreno	Tantalex Lithium Resources Corporation (CSE listed) Manganese X Energy Corp. (Exchange listed) Graphano Energy Ltd. (Exchange listed) Edison Lithium Corp. (Exchange listed) Amex Exploration Inc. (Exchange listed) AMMPower Corp. (CSE listed)

### Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by Management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

### Ethical Business Conduct

Some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities. As such, the Board must comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote at meetings of directors which evoke any such conflict.

### Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual general meeting. The Board takes into account the number of directors required to carry out the Board's duties effectively and to maintain diversity of views and experience. The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

### Compensation

To determine compensation payable, the board will review compensation paid for directors and executive officers of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the board intends to annually review the performance of the senior officers in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

## Board Committees

The Board currently has no standing committees other than the Audit Committee. The Audit Committee is appointed by the Board to assist in monitoring: (i) the integrity of the financial statements of the Company; (ii) the compliance by the Company with the legal and regulatory requirements; and (iii) the qualification, appointment, independence and performance of the Company's external auditors and senior financial executives.

## Assessments

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its Audit Committee, or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

## AUDIT COMMITTEE

### Audit Committee Disclosure

Pursuant to Section 224(1) of the *Business Corporations Act* (British Columbia) and National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") the Company is required to have an audit committee (the "Committee") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company's financial reporting processes generally. In meeting these responsibilities the Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Committee is also mandated to review and approve all material related party transactions.

### Composition of the Audit Committee

The Committee is comprised of the following members: Kris Raffle, Andrew Burgess, and Craig Taylor. Kris Raffle and Craig Taylor are considered not to be independent. Andrew Burgess is considered to be independent. Each member of the Committee is considered to be financially literate, as defined by NI 52-110, in that they have 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 presumably be expected to be raised by the Company's financial statements.

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

### Relevant Education and Experience

All three Committee members have the ability to read and understand 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 and are therefore considered "financially literate".

**Craig Taylor:** Mr. Taylor is the CEO and a director of the Company and Rex Resources Corp., serving on both of their audit committees. He has also served as a director and officer of several other public and private companies and has been involved with project management and budgeting where he has gained extensive knowledge and financial skills, including analyzing and consulting on financial statements. As chair of the Company's audit committee for several years, he has extensive experience engaging in the process of the preparation of financial statements and

analysis and commentary of the same. He also serves on the audit committee of two Exchange-listed Capital Pool Companies.

**Kris Raffle:** Mr. Raffle has over 18 years of exploration experience working mostly with Exchange listed companies, including project management and budgeting where he has gained the knowledge and financial skills required for an exploration company including analyzing and consulting on financial statements in the exploration industry. Mr. Raffle is also a director of other publicly listed resource companies.

**Andrew Burgess:** Mr. Burgess, C.A., C.P.A., is an experienced professional with more than 35 years accounting, finance and financial reporting experience with listed companies. Mr. Burgess has a broad base of experience with natural resource, service and industrial companies in the areas of general management, financial and management reporting, taxation, corporate reorganizations, investments, acquisitions, divestitures, equity and debenture financing, budgeting, investor relations and administration. He has extensive public company experience.

### **The Audit Committee’s Charter**

The Company has adopted a Charter of the Audit Committee, a copy of which is attached hereto as Schedule “A”.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4) to 6.1.1(6) relate to the composition of the Committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### **Pre-Approval Policies and Procedures**

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Committee, on a case-by-case basis.

### **External Auditor Service Fees**

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in the two most recently completed financial years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
March 31, 2022	\$39,500	Nil	Nil	Nil
March 31, 2021	\$25,305	Nil	Nil	Nil

### **Exemption**

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a

venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Company's comparative annual audited financial statements and management's discussion and analysis ("MD&A") for its most recently completed financial year, and will be available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by mail to Suite 228 – 1122 Mainland Street Vancouver, B.C., Canada V6B 5L1.

#### **DIRECTORS' APPROVAL**

The contents and the sending of the accompanying Notice of Meeting and this Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 2<sup>nd</sup> day of November, 2022.

#### **ON BEHALF OF THE BOARD OF DIRECTORS**

*"Craig Taylor"*

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Craig Taylor  
CEO & Director

**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**  
**[SEE ATTACHED]**

**DEFENSE METALS CORP.**  
**(the "Company")**  
**AUDIT COMMITTEE CHARTER**

**1. Mandate and Purpose of the Committee**

The Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of Defense Metals Corp. (the "**Company**") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

**2. Authority**

The Committee has the authority to:

- (i) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (ii) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

**3. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. A majority of the Committee's members must be "financially literate" as such term is defined in applicable securities legislation and a majority of whom are not Officers, employees or Control Persons of the Company or any of its Associates or Affiliates as such terms are defined in the policies of the TSX Venture Exchange.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

**4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and

senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

## **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Toronto Stock Exchange and shall recommend changes to the Board thereon.

## **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

## **7. Duties and Responsibilities**

### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;

- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates

and judgments; and

- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) Related Party Transactions

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia)), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other

individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

## **8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

## **9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

## **10. Procedure For Reporting Of Fraud Or Control Weaknesses**

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chair of the Audit Committee. Should a new Chair be appointed prior to the updating of this document, current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the Chair of the Board of Directors. Access to the names and place of employment of the Company's Directors can be found in the Company's website.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

## **11. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

**SCHEDULE "B"**  
**OMNIBUS PLAN**  
**[SEE ATTACHED]**

**OMNIBUS EQUITY INCENTIVE PLAN**

**EFFECTIVE: NOVEMBER 2, 2022**

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## DEFENSE METALS CORP.

### OMNIBUS EQUITY INCENTIVE PLAN

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#### ARTICLE 1 - PURPOSES OF THE PLAN

##### 1.1 Purposes of the Plan

The purposes of the Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of Participants with those of other shareholders of the Corporation generally; and (iii) enable and encourage Participants to participate in the long-term growth and success of the Corporation through the acquisition of Common Shares.

##### 1.2 Successor Plan

From and after the Effective Date, the Plan shall serve as the replacement to the Corporation's Stock Option Plan, as amended or restated from time to time (the "**Predecessor Plan**"), and no further grants shall be made under the Predecessor Plan; however, all stock options that are outstanding under the Predecessor Plan (the "**Predecessor Options**") as of the Effective Date shall continue to be outstanding as Options granted under and subject to the terms of this Plan, provided however that if the terms of this Plan adversely alter the terms or conditions, or impair any right of, a Participant pursuant to any Predecessor Option, and such Participant has not otherwise consented thereto, the applicable terms of the Predecessor Plan shall continue to apply for the benefit of such Option Holder.

#### ARTICLE 2 - DEFINED TERMS

##### 2.1 Definitions

Where used herein, the following terms shall have the following meanings, respectively:

- (a) "**Actively Employed**" means when a Participant is employed and actively providing services to the Corporation or a Subsidiary, or a Participant is on a vacation or a leave of absence approved by the Corporation or a Subsidiary or authorized under applicable law. For purposes of this Plan, except as may be required to comply with minimum requirements of applicable employment standards legislation, a Participant is not Actively Employed if his or her employment has been terminated by the Participant's resignation or by the Corporation or a Subsidiary, regardless of whether the Participant's employment has been terminated with or without Cause, lawfully or unlawfully or with or without notice, and, except as may be required by minimum requirements of applicable employment standards legislation, being Actively Employed does not include any period during, or in respect of, which a Participant is receiving or is entitled to receive payments in lieu of notice (whether by way of lump sum or salary continuance), benefits continuance, severance pay, damages for wrongful dismissal or other termination related payments or benefits, in each case, whether pursuant to statute, contract, common law, civil law or otherwise;
- (b) "**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts which the Corporation or a Subsidiary is required by law to withhold from any amounts to be paid or credited hereunder;
- (c) "**Award**" means an Option or a Share Unit granted to a Participant pursuant to the terms of the Plan;
- (d) "**Award Agreement**" means an agreement entered into by the Corporation and a Participant setting forth the terms and conditions applicable to Awards granted under the

Plan. All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Board may, in its discretion, determine appropriate. An Award Agreement need not be identical to other Award Agreements either in form or substance;

- (e) “**Blackout Period**” means a period of time during which, pursuant to any applicable laws or policies of the Corporation, any securities of the Corporation may not be traded by Participants, including any period in which Insiders or other specified persons are in possession of material undisclosed information, but excluding any period during which a regulator has halted trading in the Corporation’s securities;
- (f) “**Board**” or “**Board of Directors**” means the board of directors of the Corporation as may be constituted from time to time;
- (g) “**Business Day**” means any day on which the Exchange is open for business;
- (h) “**Cause**” means: (i) if the Participant has a written agreement pursuant to which the Participant offers employment or services to the Corporation or a Subsidiary and the term “cause” is defined in such agreement, “cause” as defined in such agreement; or otherwise (ii): (a) the failure of the Participant to follow the Corporation’s or a Subsidiary’s reasonable instructions with respect to the performance of the Participant’s duties; (b) any material breach by the Participant of the Participant’s obligations under any code of ethics, any code of business conduct or any lawful policies or procedures of the Corporation or a Subsidiary (as applicable); (c) a Participant’s excessive absenteeism, flagrant neglect of duties or serious misconduct involving the property, business or affairs of the Corporation or a Subsidiary or the carrying out of the Participant’s duties with respect to the Corporation or a Subsidiary; (d) the Participant is convicted of, or pleads guilty to, a crime which constitutes an indictable offence; and (e) any other act or omission of the Participant which would be treated by the courts of the jurisdiction in which the Participant is employed or engaged to constitute cause for termination of employment or engagement, as applicable;
- (i) “**Change of Control**” means the occurrence of any one or more of the following:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Subsidiaries and another corporation or other entity, as a result of which the holders of Common Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its Subsidiaries;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
  - (iv) any person, entity or group of persons or entities acting jointly or in concert (an “**Acquiror**”) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Corporation which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of

the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Corporation's outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);

- (v) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Subsidiaries and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, "**Voting Securities**" means Common Shares and any other shares entitled to vote for the election of directors of the Corporation and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors of the Corporation but are convertible into or exchangeable for shares which are entitled to vote for the election of directors of the Corporation including any options or rights to purchase such shares or securities;

- (j) "**Committee**" has the meaning set forth in section 3.2;
- (k) "**Common Shares**" means the common shares of the Corporation, and such other shares or securities as may be substituted therefore as a result of any change to the shares of the Corporation or any capital reorganization, arrangement, amalgamation, combination, recapitalization, merger or other event affecting all of the common shares of the Corporation;
- (l) "**Company**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (m) "**Consultant**" means, in relation to the Corporation or a Subsidiary, an individual (other than a Director or Employee) or Company that: (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a Distribution; (ii) provides the services under a written contract between the Corporation or a Subsidiary and the individual, as the case may be; and (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary;
- (n) "**Corporation**" means Defense Metals Corp. and includes any successor corporation thereof;
- (o) "**Director**" means any individual who is a director of the Corporation or a subsidiary of the Corporation and who is not also an Employee or Consultant;
- (p) "**Director Fees**" means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service as a Director;
- (q) "**Disability**" means any physical or mental incapacity, disease or affliction of the Participant which has resulted in, or which will result in, the Participant's inability to perform the essential duties of the Participant's position, taking into account reasonable

accommodation by the Corporation or a Subsidiary as applicable, for an aggregate period of twenty-four (24) months, and further prevents the Participant from being gainfully employed or providing services in any position with the Corporation or a Subsidiary thereafter;

- (r) “**Distribution**” has the meaning ascribed thereto in the Exchange Policies;
- (s) “**DSU**” or “**Deferred Share Unit**” means a right granted under Article 6 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement of the Award, subject to the terms of the Plan and the applicable Award Agreement;
- (t) “**Effective Date**” means the date this Plan shall become effective;
- (u) “**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;
- (v) “**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Section 6.1;
- (w) “**Employee**” means any employee or officer (including executive officer) of the Corporation or a Subsidiary;
- (x) “**Exchange**” means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on TSX Venture Exchange, on such stock exchange on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
- (y) “**Exchange Policies**” means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange, each as amended or restated from time to time;
- (z) “**Exercise Price**” means the price at which a Common Share may be purchased pursuant to the exercise of a particular vested Option, as the same may be adjusted in accordance with the terms of the Plan;
- (aa) “**Expiry Date**” means the expiry date specified in the Award Agreement, following which an Award may no longer be exercised or settled. The Expiry Date shall not be later than the ten (10) year anniversary of the date the Award was granted, subject to Section 9.1;
- (bb) “**Insider**” has the meaning ascribed thereto in the Exchange Policies;
- (cc) “**Investor Relations Service Providers**” has the meaning ascribed thereto in the Exchange Policies;
- (dd) “**Option**” means a right granted under Article 5 herein to purchase a Common Share issued from treasury at a stated Exercise Price for a specified period of time, subject to the terms of the Plan and the applicable Award Agreement;
- (ee) “**Participant**” means any Director, Employee or Consultant to whom an Award is granted under this Plan;
- (ff) “**Performance Period**” means, with respect to PSUs, the period of time specified in the Award Agreement during which the applicable performance criteria in respect of the PSUs may be achieved;

- (gg) “**Person**” shall mean any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity and, for greater certainty, includes any Company;
- (hh) “**Plan**” means this Omnibus Equity Incentive Plan of the Corporation, as may be amended or restated from time to time, and including the Addendum for U.S. Participants attached hereto;
- (ii) “**PSU**” or “**Performance Share Unit**” means a right granted under Article 7 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement, subject to the terms of the Plan and the applicable Award Agreement, which generally becomes vested, if at all, subject to the attainment of performance criteria established by the Board in its discretion at the time of the grant of the PSU;
- (jj) “**RSU**” or “**Restricted Share Unit**” means a right granted under Article 8 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement, subject to the terms of the Plan and the applicable Award Agreement, which generally becomes vested, if at all, following a period of continuous employment or engagement;
- (kk) “**Securities Laws**” means the acts, policies, bylaws, rules and regulations of the securities commissions governing the granting of Awards by the Corporation, as amended or restated from time to time;
- (ll) “**Security Based Compensation Plan**” has the meaning ascribed thereto in the Exchange Policies;
- (mm) “**Section 409A**” means Section 409A of the U.S. Code and the Treasury Regulations and other guidance promulgated thereunder;
- (nn) “**Share Unit**” means an RSU, PSU or DSU, as the context requires;
- (oo) “**Subsidiary**” means any corporation that is a subsidiary of the Corporation, as such term is defined under the *Business Corporations Act* (British Columbia), as amended or restated from time to time;
- (pp) “**Termination Date**” means (i) in respect of a Participant who is a Consultant or a Director, the date the Participant ceases to provide services to the Corporation or a Subsidiary (for any reason), and (ii) in respect of a Participant who is an Employee, the last day that the Participant is Actively Employed by the Corporation or a Subsidiary for any reason whatsoever, but in any case (a) regardless of whether the Participant’s employment is terminated with or without Cause, through actions or events constituting constructive dismissal, lawfully or unlawfully, with or without any adequate reasonable notice, or with or without any adequate compensation in lieu of such reasonable notice, and without regard to whether the Participant continues thereafter to receive any compensatory payments or other amounts from the Corporation or a Subsidiary, and (b) except as may be required by minimum requirements of applicable employment standards legislation, does not include any severance period or notice period to which the Participant might then be entitled or any period of salary continuance or deemed employment or other damages paid or payable to the Participant in respect of his or her termination of employment, and, in the case of both subsections (a) and (b), whether pursuant to any applicable statute, contract, civil law, the common law or otherwise. Any such severance period or notice period shall not be considered a period of employment for the purposes of a Participant’s rights under the Plan;

- (qq) **"Treasury Regulation"** means any U.S. Treasury Regulation promulgated under the U.S. Code;
- (rr) **"U.S. Code"** means the U.S. Internal Revenue Code of 1986, as amended from time to time.
- (ss) **"U.S. Participant"** means a Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the U.S. Code or for whom an Award is otherwise subject to taxation under the U.S. Code; provided, however, that a Participant shall be a U.S. Participant solely with respect to those affected Awards; and
- (tt) **"VWAP"** means the volume weighted average trading price per share for the Common Shares on the Exchange for the five (5) consecutive trading days ending on the last trading day preceding the applicable day.

## 2.2 Interpretation

- (a) Whenever the Board or the Corporation exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Corporation, as applicable.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

## ARTICLE 3 - ADMINISTRATION OF THE PLAN

### 3.1 Administration

Subject to section 3.2 the Plan shall be administered by the Board. Subject to applicable laws, the Exchange Policies and the terms and conditions herein, the Board is authorized to determine the terms and provisions of Award Agreements, to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Board may deem necessary or proper. Such authority shall include, but not be limited to, selecting Participants, establishing all Award terms and conditions, including grant, Exercise Price, vesting terms, determining any performance criteria applicable to Awards and whether such performance criteria has been achieved, and subject to Article 12, adopting any modifications and amendments to the Plan or any Award Agreement, including, without

limitation, any that are necessary or appropriate to comply with the applicable laws or compensation practices of the jurisdictions in which the Corporation and its Subsidiaries operate.

### **3.2 Delegation**

The Board may delegate the day-to-day administration of the Plan, in whole or in part, to a committee of the Board and/or to any member of the Board (the “**Committee**”) or any other sub-delegate as considered necessary or advisable by the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

### **3.3 Determinations Binding**

Any decision made or action taken by the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan or any Award (including any Award Agreement) is final, conclusive and binding on the Corporation and all Subsidiaries, the affected Participant(s), their respective legal representatives and all other Persons.

### **3.4 Eligibility**

All Employees, Consultants and Directors are eligible to participate in the Plan. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Employee, Consultant or Director any right to receive any grant of an Award pursuant to the Plan. The extent to which any Employee, Consultant or Director is entitled to receive a grant of an Award pursuant to the Plan will be determined at the discretion of the Board. The Board and the Participant are responsible for ensuring and confirming that such Participant is a *bona fide* Employee, Consultant or Director.

## **ARTICLE 4 - SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS**

### **4.1 Maximum Number of Common Shares Available for Awards**

The aggregate maximum number of Common Shares available for issuance pursuant to the exercise or settlement, as applicable, of Options granted under the Plan, together with awards granted under any other Security Based Compensation Plans of the Corporation, will be 10% of the total issued and outstanding Common Shares from time to time (on a non-diluted basis). The Plan is a “rolling plan” in respect of Options only and as a result, any and all increases in the number of issued and outstanding Common Shares will result in an increase to the number of Options available for grant.

The aggregate maximum number of Common Shares available for issuance pursuant to the exercise or settlement, as applicable, of DSUs, PSUs and RSUs granted under the Plan, together with awards of DSUs, PSUs and RSUs granted under any other Security Based Compensation Plans of the Corporation, shall not exceed **[xx]** at any point in time, which represents 10% of the total issued and outstanding Common Shares as at the Effective Date.

Any Common Shares underlying Options that have been exercised, or disposed of or that have expired or been terminated for any reason (without being exercised), shall become available for subsequent issuance under the Plan. Any Common Shares underlying Share Units that have been settled, or disposed of or that have expired or been terminated for any reason (without being settled), shall become available for subsequent issuance under the Plan.

### **4.2 Additional Limits on Grants of Awards**

Any grant of Awards under the Plan shall be subject to the following restrictions (each on a non-diluted basis):

- (a) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to any one individual (including any corporation wholly owned by such individual) in any twelve (12) month period shall not exceed 5% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite acceptance and disinterested shareholder approval, if required, in accordance with the Exchange Policies);
- (b) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to Insiders (as a group) shall not exceed 10% of the issued and outstanding Common Shares at any point in time (unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with the Exchange Policies);
- (c) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to Insiders (as a group) in any twelve (12) month period shall not exceed 10% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with the Exchange Policies);
- (d) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to any one Person who is a Consultant in any twelve (12) month period shall not exceed 2% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite disinterested shareholder approval, if required, in accordance with the Exchange Policies, including Part 6 of the TSX Venture Exchange Policy 4.4, as amended from time to time); and
- (e) Investor Relations Service Providers shall only be entitled to Options under the Plan and the aggregate number of Common Shares issuable pursuant to Options under the Plan, together with stock options under any other Security Based Compensation Plan of the Corporation, granted to all Investor Relations Service Providers in any twelve (12) month period, shall not exceed 2% of the issued and outstanding Common Shares determined at the time of grant.

#### **4.3 Award Agreements**

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, any Award Agreement to a Participant granted an Award pursuant to this Plan.

#### **4.4 Non-transferability of Awards**

Except as permitted by the Board and subject to Exchange approval, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by applicable law (and in accordance with Section 10.3), no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

## ARTICLE 5 - OPTIONS

### 5.1 Granting of Options

The Board may, from time to time, grant Options to such Participants as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of Options will be subject to the terms and conditions contained herein and in the applicable Award Agreement and may be subject to additional conditions determined by the Board from time to time. The grant of an Option to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an Option.

### 5.2 Exercise Price

The Exercise Price shall be fixed by the Board when the Option is granted, provided that such price shall be determined in accordance with the rules of the Exchange (as applicable) and shall not be less than the Discounted Market Price (as that term is defined in Policy 1.1 - Interpretation of the of the TSX Venture Exchange).

### 5.3 Term of Options

An Option must be exercised no later than the Expiry Date set by the Board at the time of grant, following which time the Option shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

### 5.4 Vesting of Options

The vesting period or periods within the term following which an Option may be exercised by a Participant shall be determined by the Board and set out in the applicable Award Agreement, subject to the rules of the Exchange.

Subject to Section 12.3, the Board may, in its discretion at any time or in the Award Agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted. However, notwithstanding the foregoing, Options granted to an Investor Relations Service Provider must vest in stages over a period of not less than twelve (12) months with no more than one quarter (1/4) of the Options vesting in any three (3) month period.

### 5.5 Exercise of Options

Subject to the provisions of the Plan and the applicable Award Agreement, a vested Option may be exercised from time to time by the Participant (or the Participant's legal representative in the case of the Participant's death) by delivery to the Corporation of a properly executed exercise notice in such form(s) as may be determined by the Board from time to time (the "**Exercise Notice**"). The Exercise Notice shall state the intention of the Participant (or the Participant's legal representative, if applicable) to exercise the said Option.

### 5.6 Payment and Net Share Exercise Right

The Exercise Notice shall be accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the vested Options being exercised, which shall be payable by cheque, bank draft or wire transfer. Notwithstanding the foregoing, provided that the Corporation is in compliance with the rules of the Exchange (if applicable), the Corporation may, in its discretion, permit the Participant to elect that the Corporation satisfy any obligations to the Participant in respect of any vested Options so exercised by the Participant by issuing such number of Common Shares to the Participant that is equal to the quotient obtained by dividing (i) the product of (A) the number of Options being exercised, multiplied by (B) the difference between the VWAP and the exercise price of the Options, by (ii) the VWAP

(the “**Net Share Exercise Right**”). The Net Share Exercise Right shall not be available to any Participants who are Investor Relations Service Providers.

Upon the issuance of Common Shares in connection with the exercise of any vested Options, such vested Options shall terminate and be of no further force or effect and the Participant shall cease to have any further rights in respect thereof.

## ARTICLE 6 - DEFERRED SHARE UNITS

### 6.1 Granting of DSUs

- (a) The Board may, from time to time, fix a portion of the Director Fees that is to be payable in the form of DSUs. The terms and conditions of a DSU grant shall be in the form of an Award Agreement. The grant of DSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Board from time to time. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 6.1(b) to participate in the grant of additional DSUs pursuant to this Article 6. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 6 shall receive their Elected Amount (as that term is defined below) in the form of DSUs in lieu of cash. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that are otherwise intended to be paid in cash (the “**Cash Fees**”).
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs in lieu of cash will be required to file a notice of election in the form of (the “**Election Notice**”) with the Chief Financial Officer of the Corporation by December 31 in the year prior to the year to which such election is to apply.
- (c) Subject to Section 6.1(d), the election of an Electing Person under Section 6.1(b) shall be deemed to apply to all Cash Fees that would be paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person who is not a U.S. Participant is entitled once per calendar year to terminate his or her election to receive DSUs in lieu of Cash Fees by filing with the Chief Financial Officer of the Corporation a notice. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Section 6.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 6, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs in lieu of cash again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Participant to receive the Elected Amount in DSUs for any calendar year (or portion thereof) is irrevocable for that calendar year after December 31 of the immediately preceding year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the applicable termination notice is delivered to the Chief Financial Officer of the Corporation.
- (e) Any DSUs granted pursuant to this Article 6 prior to the delivery of a termination notice pursuant to Section 6.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.

- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 6 will be calculated by dividing (i) the amount of any compensation that is to be paid in DSUs (including Director Fees and any Elected Amount), as determined by the Board, by (ii) the Market Price (as that term is defined in Policy 1.1 - Interpretation of the of the TSX Venture Exchange) of a Common Share on the date of grant.
- (g) The grant of a DSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a DSU. Notwithstanding the foregoing, DSUs may not be granted to Investor Relations Service Providers.

## **6.2 Vesting of DSUs**

The vesting period or periods within the term following which DSUs may be settled by a Participant shall be determined by the Board and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. Notwithstanding the foregoing, no DSUs issued pursuant to this Plan may vest before the date that is one year following the date it is granted or issued, unless otherwise set forth in the applicable Award Agreement. However, the vesting required by this section 6.2 may be accelerated for a Participant who dies or who ceases to be an eligible Participant under this Plan in connection with a change of control, takeover bid, reverse takeover or other similar transaction.

## **6.3 Settlement of DSUs**

- (a) DSUs shall be settled on the date established in the Award Agreement; *provided however* that in no event shall a DSU be settled prior to a Participant's retirement, termination of employment or directorship or death, or later than December 31 in the calendar year following the date of the applicable Participant's retirement, termination or death. If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of the Participant's retirement, termination or death. Except as otherwise provided in a DSU Award Agreement, on the settlement date for any DSU, each vested DSU shall be redeemed for:
  - (i) One Common Share from treasury to the Participant or as the Participant may direct; or
  - (ii) A cash payment equal to the number of DSUs being settled multiplied by the VWAP as at the applicable settlement date; or
  - (iii) A combination of Common Shares and cash as contemplated by subclauses (i) and (ii) above;

in each case as determined by the Board in its discretion as set forth in the applicable Award Agreement.

## **6.4 Dividend Equivalents**

Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Common Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Common Shares have been issued and delivered.

## **6.5 DSU Account**

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the date of grant.

## ARTICLE 7 - RESTRICTED SHARE UNITS

### 7.1 Granting of RSUs

The Board may, from time to time, grant RSUs to such Participants as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of RSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Board from time to time. Notwithstanding the foregoing, RSUs may not be granted to Investor Relations Service Providers. The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of any compensation that is to be paid in RSUs to a Participant, as determined by the Board, by (ii) the Market Price (as that term is defined in Policy 1.1 - Interpretation of the of the TSX Venture Exchange) of a Common Share on the date of grant.

### 7.2 Vesting of RSUs

The vesting period or periods within the term following which RSUs may be settled by a Participant shall be determined by the Board and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. Notwithstanding the foregoing, no RSUs issued pursuant to this Plan may vest before the date that is one year following the date it is granted or issued. However, the vesting required by this section 7.2 may be accelerated for a Participant who dies or who ceases to be an eligible Participant under this Plan in connection with a change of control, takeover bid, reverse takeover or other similar transaction.

### 7.3 Settlement of RSUs

- (a) The Board shall have authority to determine the settlement terms, including time of settlement, applicable to the grant of RSUs and such terms shall be set forth in the applicable RSU Award Agreement. Except as otherwise provided in an RSU Award Agreement, on the settlement date for any RSU, each vested RSU shall be redeemed for:
- (i) One Common Share from treasury to the Participant or as the Participant may direct; or
  - (ii) A cash payment equal to the number of RSUs being settled multiplied by the VWAP as at the applicable settlement date; or
  - (iii) A combination of Common Shares and cash as contemplated by subclauses (i) and (ii) above;

in each case as determined by the Board in its discretion as set forth in the applicable Award Agreement.

### 7.4 Dividend Equivalents

Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Common Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Common Shares have been issued and delivered.

### 7.5 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the date of grant.

## ARTICLE 8 - PERFORMANCE SHARE UNITS

### 8.1 Granting of PSUs

The Board may, from time to time, grant PSUs to such Participants as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of PSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Board from time to time. Notwithstanding the foregoing, PSUs may not be granted to Investor Relations Service Providers. Each PSU shall consist of a right to receive a Common Share, a cash payment, or a combination thereof, upon the achievement of certain performance criteria during such Performance Period as the Board shall establish, and as set forth in the applicable Award Agreement.

### 8.2 Term of PSUs

The performance criteria to be achieved during any Performance Period, the length of any Performance Period, the number of PSUs granted, the termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any PSU shall be determined by the Board and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

### 8.3 Performance Criteria

The Board shall issue performance criteria prior to any date of grant of a PSU to which such performance criteria pertains. The performance criteria may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Board. The Board may modify the performance criteria as necessary to align them with the Corporation's objectives, subject to any limitations set forth in a PSU Award Agreement or an employment or other agreement with a Participant. The performance criteria may include a threshold level of performance below which no payment shall be made (or no vesting shall occur), levels of performance at which specified payments shall be made (or specified vesting shall occur) and a maximum level of performance above which no additional payment shall be made (or at which full vesting shall occur), all as set forth in the applicable Award Agreement.

### 8.4 Vesting of PSUs

The vesting period or periods within the term following which PSUs may be settled by a Participant shall be determined by the Board and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. Notwithstanding the foregoing, no PSUs issued pursuant to this Plan may vest before the date that is one year following the date it is granted or issued. However, the vesting required by this section 8.4 may be accelerated for a Participant who dies or who ceases to be an eligible Participant under this Plan in connection with a change of control, takeover bid, reverse takeover or other similar transaction.

### 8.5 Settlement of PSUs

- (a) The Board shall have authority to determine the settlement terms, including time of settlement, applicable to the grant of PSUs and such terms shall be set forth in the applicable PSU Award Agreement. Except as otherwise provided in an PSU Award Agreement, on the settlement date for any PSU, each vested PSU shall be redeemed for:
  - (i) One Common Share from treasury to the Participant or as the Participant may direct; or
  - (ii) A cash payment equal to the number of PSUs being settled multiplied by the VWAP as at the applicable settlement date; or

- (iii) A combination of Common Shares and cash as contemplated by subclauses (i) and (ii) above;

in each case as determined by the Board in its discretion as set forth in the applicable Award Agreement.

#### **8.6 Dividend Equivalents**

Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Common Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Common Shares have been issued and delivered.

#### **8.7 PSU Account**

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the date of grant.

### **ARTICLE 9 - ADDITIONAL AWARD TERMS**

#### **9.1 Blackout Period**

Notwithstanding the provisions contained herein for the expiry of Awards, in the event that the Expiry Date of an Award falls during a Blackout Period, the Expiry Date of such Award shall be extended for a period of ten (10) Business Days following the end of the Blackout Period, provided that for U.S. Participants, any such extension be structured in a manner that is complies with Section 409A (to the extent such Award is subject to Section 409A).

#### **9.2 Withholding Taxes**

Notwithstanding any other terms of this Plan, the granting, exercise or settlement of each Award under this Plan is subject to the condition that if at any time the Board determines, in its discretion, that the satisfaction of Applicable Withholding Taxes is necessary or desirable in respect of such grant, exercise or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Board. In such circumstances, the Board may require that a Participant pay to the Corporation the minimum amount as the Corporation or a Subsidiary is obliged to withhold or remit to the relevant taxing authority in respect of the granting, exercise or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a Subsidiary, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (i) withhold any Applicable Withholding Taxes from any remuneration or other amount payable by the Corporation or any Subsidiary to the Participant, (ii) permit a Participant to authorize a securities dealer designated by the Corporation, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes, or (iii) enter into any other suitable arrangements for the receipt of such amounts.

### **ARTICLE 10 - TERMINATION OF EMPLOYMENT OR ENGAGEMENT**

#### **10.1 Termination without Cause or Voluntary Resignation**

Unless otherwise determined by the Board, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary without Cause or the Participant's resignation (including a resignation from the Board in respect of Directors), all unvested Options held by the Participant on the Participant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the

Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal. The Participant may, within 90 days after the Participant's Termination Date, or such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in accordance with Section 5.5. At the end of such 90-day period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Unless otherwise determined by the Board, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary without Cause or the Participant's resignation (including a resignation from the Board in respect of Directors), all unvested Share Units held by the Participant on the Participant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal. The Participant (who is not a U.S. Participant) may, within 90 days after the Participant's Termination Date, or such shorter period as is remaining in the term of the Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.3, 7.3 or 8.5, as applicable. At the end of such 90-day period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

The provisions of this Plan may take away or limit a Participant's common or civil law rights, as applicable, to the Participant's Awards and any common or civil law rights, as applicable, to damages as compensation for the loss, or continued vesting, of the Participant's Awards during any reasonable notice period.

## **10.2 Termination for Cause**

Unless otherwise determined by the Board, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary for Cause, all Awards held by the Participant on the Participant's Termination Date, whether vested or unvested, shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal. Notwithstanding the foregoing, if a Participant's termination is for Cause, and such Participant made an election pursuant to Section 6.1(a), and received their Elected Amount in the form of DSUs in lieu of cash, the DSUs resulting from such cash deferrals, to the extent otherwise vested, shall not automatically terminate on the Termination Date and be of no further force or effect as a result of termination of employment or service for Cause (and such DSUs shall be treated in accordance with Section 6.3(a) and the applicable Award Agreement).

## **10.3 Death or Disability**

Unless otherwise determined by the Board, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of the Participant's death or, in the case of an Employee, the inurrence of a Disability, all unvested Options held by the Participant on the Participant's Termination Date or date of death, as applicable, shall automatically terminate on the Termination Date or date of death, as applicable, and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Participant (or the Participant's legal representative in the case of the Participant's death) may, within 12 months after the Participant's Termination Date or date of death, as applicable, or such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in accordance with Section 5.5. At the end of such 12-month period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the

Participant (or the Participant's legal representative in the case of the Participant's death) in respect thereof as compensation, damages or otherwise.

Unless otherwise determined by the Board, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of the Participant's death or, in the case of an Employee, the incurrence of a Disability, a pro rata portion of the unvested Share Units held by the Participant on the Termination Date will vest. The number of unvested RSUs and DSUs that will vest will be based on the number of days elapsed between the applicable date of grant and the Termination Date and the number of PSUs that will vest will be based on performance achieved up to the Termination Date as determined by the Board in its discretion. All unvested Share Units shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

The Participant, who is not a U.S. Participant (or the Participant's legal representative in the case of the Participant's death), may, within 12 months after the Participant's Termination Date or date of death, as applicable, or such shorter period as is remaining in the term of the Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.3, 7.3 or 8.5, as applicable. At the end of such 12-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

#### **10.4 Termination of Consultants**

Notwithstanding any provision herein to the contrary, only the provisions set forth in this Section 10.4 and Section 10.5 shall govern the treatment of Awards held by Consultants in connection with a cessation of a Consultant's engagement with the Corporation or a Subsidiary.

Unless otherwise determined by the Board, if a Consultant's engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary for Cause, all Options held by the Consultant on the Consultant's Termination Date, whether vested or unvested, shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Consultant in respect thereof as compensation, damages or otherwise.

Unless otherwise determined by the Board, if a Consultant's engagement with the Corporation or a Subsidiary ceases for any reason other than for Cause, all unvested Options held by the Consultant on the Consultant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Consultant may, within 30 days after the Consultant's Termination Date, or such shorter period as is remaining in the term of the Options, exercise the Consultant's vested Options in accordance with Section 5.5. At the end of such 30-day period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

#### **10.5 Discretion to Permit Acceleration**

Notwithstanding the provisions of Sections 10.1, 10.2, 10.3 and 10.4, and subject to the requirement to obtain shareholder approval per the Exchange Policies and the rules of the Exchange, the Board may, in its discretion, at any time prior to, or following the events contemplated in such Sections, or in an employment or service agreement, Award Agreement or other written agreement between the Corporation or a Subsidiary and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Board. Notwithstanding the following, Options granted to Investor Relations Service Providers cannot be accelerated without the prior acceptance of the Exchange.

## **10.6 Participants' Entitlements**

The Plan does not confer upon a Participant any right with respect to continuation of employment or engagement by the Corporation or any of its Subsidiaries, nor does it interfere in any way with the right of the Participant or the Corporation or any Subsidiary to terminate the Participant's employment or engagement at any time and for any reason.

Awards shall not be affected by any change of employment or engagement of the Participant where the Participant continues to be employed or engaged by the Corporation or any of its Subsidiaries.

## **ARTICLE 11 - EVENTS AFFECTING THE CORPORATION**

### **11.1 General**

The existence of any Award does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Common Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder. In the event of any corporate event or transaction involving the Corporation (including, but not limited to, a change in the Common Shares or the capitalization of the Corporation), such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split-up, spin-off, combination of shares, exchange of shares, dividend in kind, extraordinary cash dividend, amalgamation or other like change in capital structure (other than normal cash dividends to shareholders of the Corporation), or any similar corporate event or transaction, the Board, to prevent dilution or enlargement of Participants' rights under the Plan, shall substitute or adjust, in its discretion: (i) the number and kind of shares or other securities that may be granted pursuant to Awards; (ii) the number and kind of shares or other securities subject to outstanding Awards; (iii) the Exercise Price applicable to outstanding Options; (iv) the number of outstanding Share Units held by the Participants; (v) the vesting of PSUs; and/or (vi) other value determinations (including performance criteria) applicable to the Plan or outstanding Awards; provided, however, that no adjustment will obligate the Corporation to issue or sell fractional securities. Any such adjustments shall be made in good-faith compliance with paragraph 7(1.4)(c) of the Income Tax Act (Canada), to the extent applicable. For the avoidance of doubt, the purchase of Common Shares or other equity securities of the Corporation by a shareholder of the Corporation or by any third party from the Corporation shall not constitute a corporate event or transaction giving rise to an adjustment pursuant to this Section 11.1. Notwithstanding the foregoing, any adjustment, other than in connection with a security consolidation or security split, to outstanding Awards granted pursuant to the Plan are subject to the prior acceptance of the Exchange, including any adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization of the Corporation.

### **11.2 Change of Control**

#### **(a) Change of Control and Termination of Employment or Engagement**

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee or a Director (in each case, other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause or ceases to be a Director (for any reason other than for Cause) and, in each case, his or her Termination Date is within 12 months following the Change of Control, all unvested Options held by the Participant on the Participant's Termination Date shall immediately vest. The Participant may, within 6 months after the Participant's Termination Date, or

such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in accordance with Section 5.5. At the end of such 6-month period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee or a Director ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause or ceases to be a Director (for any reason other than for Cause) and, in each case, his or her Termination Date is within 12 months following the Change of Control, all RSUs and DSUs held by the Participant on the Termination Date shall immediately vest on the Termination Date. The Participant (who is not a U.S. Participant) may, within 6 months after the Participant's Termination Date, or such shorter period as is remaining in the term of the applicable Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.3 or 7.3, as applicable. At the end of such 6-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause and his or her Termination Date is within 12 months following the Change of Control, a certain number of PSUs will vest based on performance achieved up to the Termination Date as determined by the Board in its discretion. All unvested PSUs shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Participant (who is not a U.S. Participant) may, within 6 months after the Participant's Termination Date, or such shorter period as is remaining in the term of the applicable Share Units, elect to settle the Participant's vested Share Units in accordance with Section 8.5. At the end of such 6-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

The provisions of this Plan may take away or limit a Participant's common or civil law rights, as applicable, to the Participant's Awards and any common or civil law rights, as applicable, to damages as compensation for the loss, or continued vesting, of the Participant's Awards during any reasonable notice period.

**(b) Discretion to Board and Committee**

Subject to the rules of the Exchange Policies, in the event of an actual or potential Change of Control, the Board may, in its discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional settlement or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or settle any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that the surviving, successor or acquiring entity may assume any outstanding Awards or substitute similar awards for the outstanding Awards, as applicable; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or settled prior to the successful completion of such Change of Control, provided that, any accelerated vesting in respect of any PSUs will be based on performance achieved up to the Change of Control as determined by the Board in its discretion.

In the event that any Awards are conditionally exercised or settled pursuant to this Section 11.2 and the Change of Control does not occur, the Board, may, in its discretion, determine that any (i) Awards so

exercised or settled shall be reinstated as the type of Award prior to such exercise or settlement, and (ii) Common Shares issued be cancelled, any cash payments made to the Participants be returned to the Corporation, and any Exercise Price or similar price received by the Corporation shall be returned to the Participant.

(c) **Agreement with Purchaser in a Change of Control**

In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, service, confidentiality, restrictive covenant or other agreement with the purchaser as the Board deems appropriate. Notwithstanding, Options granted to Investor Relations Service Providers cannot be accelerated without the prior acceptance of the Exchange.

**11.3 Issue by Corporation of Additional Shares**

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Common Shares that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

**11.4 Fractions**

No fractional Common Shares will be issued pursuant to an Award. Accordingly, whether as a result of any adjustment under this Article 11 or otherwise, a Participant would become entitled to a fractional Common Share, the Participant has the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares, which shall be disregarded.

**ARTICLE 12 - AMENDMENT OR DISCONTINUANCE OF PLAN**

**12.1 Shareholder Approval**

This Plan is subject to the approval of the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of holders of Common Shares (including approval of the disinterested holders of Common Shares if required by Exchange Policies) and the approval of the Exchange and shall not be effective until such approvals are obtained. Awards cannot be granted under this Plan prior to receipt of all necessary approvals.

**12.2 Amendment, Suspension, or Termination of the Plan**

The Board may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any outstanding rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Board determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or the rules of the Exchange.

Notwithstanding the foregoing and subject to any rules of the Exchange or/and any applicable regulatory authority, approval of the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of holders of Common Shares (including approval of the disinterested holders of Common Shares if required by Exchange Policies) must be obtained for any amendment that would have the effect of, among others:

- (a) increasing the percentage of Common Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the percentage limits on Common Shares issuable or issued to any Person or category of Persons (i.e., Insiders) as set forth in Section 4.2;
- (c) reducing the Exercise Price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its Expiry Date for the purpose of reissuing an Option to the same Participant with a lower Exercise Price shall be treated as an amendment to reduce the Exercise Price of an Option) except pursuant to the provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) amending an Award that results in a benefit to an Insider, in which case disinterested shareholder approval is required (including amending an Award to reduce the Exercise Price of an Option or extending the term of an Award);
- (e) amending any method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to a Participant, including but not limiting to the formula for determining the Exercise Price of Options;
- (f) extending the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a Blackout Period applicable to the Participant);
- (g) permitting an Option to be exercisable beyond ten (10) years from its date of grant (except where an Expiry Date would have fallen within a Blackout Period);
- (h) increasing or removing the limits on the participation of Directors;
- (i) amending the amendment provisions in Sections 12.2 and 12.3;
- (j) amending the termination or early termination provisions of this Plan or any Award;
- (k) changing the eligible participants of the Plan; or
- (l) amendments required to be approved by shareholders under applicable law (including the rules, regulations and policies of the Exchange).

### **12.3 Permitted Amendments**

Without limiting the generality of Section 12.2, the Board may, without approval of the holders of a majority of the Common Shares, at any time or from time to time, amend the Plan or Award Agreements for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award in accordance with the Exchange Policies;
- (b) making any amendment necessary to suspend or terminate the Plan;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;

- (d) amendments necessary for Awards to qualify for favourable or intended tax treatment under applicable tax law;
- (e) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants; or
- (f) making such amendments of a “housekeeping” or administrative nature and such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

## **ARTICLE 13 - MISCELLANEOUS**

### **13.1 Legal Requirement**

The Corporation's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Common Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed. The Corporation may endorse such legend or legends upon the certificates for, or other evidence of, Common Shares issued upon the exercise or settlement of an Award and may issue such “stop transfer” instructions to its transfer agent in respect of such Common Shares as, in its absolute discretion, it determines to be necessary or appropriate. Awards may not be granted with a date of grant or effective date earlier than the date on which all actions required to grant the Awards have been completed. The inability or impracticability of the Corporation to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation's counsel to be necessary to the lawful issuance and sale of any Common Shares hereunder shall relieve the Corporation of any liability in respect of the failure to issue or sell such Common Shares as to which such requisite authority shall not have been obtained.

### **13.2 No Liability**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Common Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

### **13.3 Corporate Action**

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

#### **13.4 Rights of Participant**

No Participant shall be induced to acquire, exercise or settle an Award by expectation of employment, engagement or other service or continued employment, engagement or other service. Nothing in this Plan may be construed to provide any Participant with any rights whatsoever to compensation or damages in lieu of notice or continued participation in, or entitlements under, the Plan as a consequence of a Participant's termination of employment, engagement or other service (regardless of the reason for the termination and the party causing the termination, including a termination without Cause). The Plan does not give any Participant any right to claim any benefit or compensation except to the extent specifically provided in the Plan. Awards shall not be considered Common Shares, nor shall they entitle a Participant to any interest in or title to any Common Shares or to exercise voting rights or any other rights attaching to the Common Shares.

#### **13.5 Conflict**

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment or service agreement (or other written agreement) with the Corporation or a Subsidiary, as the case may be, on the other hand, the provisions of the employment or service agreement (or other written agreement) shall prevail.

#### **13.6 Anti-Hedging Policy**

By accepting an Award, each Participant acknowledges that he or she is restricted from purchasing financial instruments such as 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 Awards.

#### **13.7 Participant Information**

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

#### **13.8 Unfunded Plan**

This Plan shall be unfunded and the Corporation will not secure its obligations hereunder. To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured general creditor of the Corporation.

#### **13.9 International Participants**

With respect to Participants who reside or work outside Canada, the Board may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards (including Award Agreements) with respect to such Participants in order to conform such terms with the provisions of local law, customs and tax practices, and the Board may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

### **13.10 No Limit on Other Security-Based Compensations Arrangements**

Nothing contained in this Plan shall prevent the Corporation from adopting or continuing in effect other security-based compensation arrangements subject to any required regulatory or shareholder approval, and such arrangements may be either generally applicable or applicable only in specific cases.

### **13.11 Other Employee Benefits**

The amount of any compensation received or deemed to be received by a Participant as a result of the Participant's participation in the Plan will not constitute compensation, earnings or wages with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance, termination, severance or salary continuation plan or any other employee benefit plans, nor under any applicable employment standards or other legislation, except as otherwise specifically determined by the Board.

### **13.12 No Representations or Warranties**

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

### **13.13 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation and its Subsidiaries or any receiver or trustee in bankruptcy or representative of the creditors of the Corporation or a Participant.

### **13.14 Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

### **13.15 Notices**

All notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Defense Metals Corp.  
Suite 228 – 1122 Mainland Street  
Vancouver, B.C. V6B 5L1  
E-mail: [craig@defensemetals.com](mailto:craig@defensemetals.com)

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth business day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

### **13.16 Governing Law.**

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the internal laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

### **13.17 Submission to Jurisdiction**

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Common Shares made in accordance with the Plan.

## ADDENDUM FOR U.S. PARTICIPANTS

### DEFENSE METALS CORP. OMNIBUS EQUITY INCENTIVE PLAN

The provisions of this addendum to the Plan (the “**Addendum**”) apply to Options and Share Units granted to or held while a U.S. Participant. All capitalized terms used but not defined in this Addendum have the meanings ascribed to them in the Plan. “Article” and “Section” references set forth below refer to articles and sections of the Plan. This Addendum shall have no effect on any other terms and provisions of the Plan or any Awards except as set forth below.

#### 1. Definitions

As used in this Addendum and/or the Plan with respect to any U.S. Participant:

- a. “**Change of Control**” has the meaning ascribed to such term in the Plan; provided, that a Change of Control shall be limited to a “change in control event” as defined under Section 409A to the extent necessary to avoid the imposition of taxes, penalties and interest under Section 409A in the case of a U.S. Participant.
- b. “**Disability**” of a U.S. Participant with respect to an Incentive Stock Option means “permanent and total disability” as defined in Section 22(e)(3) of the U.S. Code.
- c. “**Disqualifying Disposition**” means any disposition of Common Shares acquired upon exercise of an Incentive Stock Option where such disposition occurs on or before the later of (i) the second anniversary of the date of grant and (ii) the first anniversary of the exercise of such Incentive Stock Option (or the first anniversary of the date of vesting of such Common Shares, if initially subject to a substantial risk of forfeiture and no timely and effective election under Section 83(b) of the U.S. Code is made with respect thereto).
- d. “**Fair Market Value**” means the VWAP, or if the Common Shares are not publicly traded or quoted, then “Fair Market Value” shall mean the fair market value of a Common Share as determined in good faith by the Board on the applicable day; provided, that Fair Market Value shall be determined consistent with the principles of Sections 409A, 422 and/or 424 of the U.S. Code to the extent applicable in the case of a U.S. Participant.
- e. “**Incentive Stock Option**” means any Option designated and qualified as an “incentive stock option” as defined in Section 422 of the U.S. Code.
- f. “**Non-Qualified Stock Option**” means any Option that is not an Incentive Stock Option.
- g. “**Separation from Service**” means, with respect to a U.S. Participant, any event that may qualify as a separation from service under Treasury Regulation Section 1.409A-1(h). A U.S. Participant shall be deemed to have separated from service if he or she dies, retires or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).
- h. “**Specified Employee**” has the meaning set forth in Treasury Regulation Section 1.409A-1(i).
- i. “**Subsidiary Corporation**” means “subsidiary corporation” as defined in Section 424(f) of the U.S. Code.
- j. “**Ten Percent Owner**” means a U.S. Participant who, at the time an Option is granted, owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the U.S. Code) shares possessing more than 10% of the total combined voting power of all classes of stock of the

Corporation or any parent or subsidiary corporation, within the meaning of Section 422(b)(6) of the U.S. Code.

- k. **“Vesting Date”** means, in the case of a U.S. Participant, the date or dates set out in the Award Agreement on which an Award will vest.

## 2. Plan Not Subject To ERISA

The Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended.

## 3. Options Granted To U.S. Participants

- a. **Incentive Stock Options and Non-Qualified Stock Options.** Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Notwithstanding any provision of the Plan to the contrary, Incentive Stock Options may only be granted to a Person who is an employee of the Corporation or a Subsidiary Corporation thereof (and not of any other affiliate of the Corporation). To the extent that any Option (or portion thereof) does not qualify as an Incentive Stock Option, such Option (or portion thereof) shall be deemed a Non-Qualified Stock Option.
- b. **Award Agreement.** The Award Agreement for U.S. Participants shall specify whether the Option subject to such Award Agreement is an Incentive Stock Option or a Non-Qualified Stock Option. If no such specification is made, the Option will be a Non-Qualified Stock Option. None of the Board, the Corporation or any of its subsidiaries or affiliates, or any of their respective employees or representatives shall be liable to any U.S. Participant or to any other Person if it is determined that an Option does not qualify for any intended tax treatment.
- c. **Exercise Price.** In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the Exercise Price of such Incentive Stock Option shall not be less than 110% of the Fair Market Value determined as of the date of grant. For all other U.S. Participants, the Exercise Price of an Incentive Stock Option shall not be less than 100% of the Fair Market Value determined as of the date of grant. The Exercise Price of a Non-Qualified Stock Option for all U.S. Participants shall not be less than 100% of the Fair Market Value as determined as of the date of grant.
- d. **Method of Exercise of Options.** The net share exercise right provided in Section 5.6 of the Plan shall not be available if the Option being exercised is an Incentive Stock Option.
- e. **Service Recipient Stock.** A Non-Qualified Stock Option may be granted to a U.S. Participant only if, with respect to such U.S. Participant, the Corporation is an “eligible issuer of service recipient stock” within the meaning of Section 409A.
- f. **Term of Option.** Notwithstanding any provision of the Plan to the contrary:
  - i. in no circumstances shall the term of an Option exceed ten (10) years from the date of grant or be exercisable after the expiration of ten (10) years from the date of grant; and
  - ii. in no circumstances shall the term of an Incentive Stock Option granted to a Ten Percent Owner exceed five (5) years from the date of grant or be exercisable after the expiration of five (5) years from the date of grant.
- g. **Termination of Option Due to Termination of Employment.** In the case of an Incentive Stock Option, notwithstanding any provision of the Plan to the contrary, unless a longer period is provided in the Award Agreement: (i) in the event of the Participant’s termination of

employment due to death or Disability, the Incentive Stock Option shall expire on the earlier of the scheduled expiry date and one (1) year following the Termination Date, and (ii) in the event of the Participant's termination of employment for any reason other than (A) Disability, (B) for cause, or (C) due to death, the Incentive Stock Option shall expire on the earlier of the scheduled expiry date and three (3) months following the Termination Date.

- h. Plan Limit on Incentive Stock Options.** Subject to adjustment pursuant to Section 11.1 of the Plan and Sections 422 and 424 of the U.S. Code, the aggregate number of Common Shares which may be issued under the Plan in respect of Incentive Stock Options shall not exceed 18,337,460 Common Shares. Notwithstanding the foregoing, the aggregate number of Common Shares which may be issued under the Plan in respect of Incentive Stock Options shall not exceed the number permitted by the stock exchange having jurisdiction or authority over the securities of the Corporation or any of its Subsidiaries or the Plan, and if the number of aggregate number of Common Shares which may be issued under the Plan in respect of Incentive Stock Options, does exceed the permissible number under the applicable stock exchange policies or rules, then such aggregate number shall be reduced to the extent considered necessary or desirable to bring such provision into compliance therewith.
- i. Annual Limit on Incentive Stock Options.** To the extent required for "incentive stock option" treatment under Section 422(d) of the U.S. Code, the aggregate Fair Market Value (determined as of the date of grant) of the Common Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Corporation and its parent and subsidiary corporations that become exercisable or vest for the first time by a U.S. Participant during any calendar year shall not exceed US\$100,000 or such other limit as may be in effect from time to time under Section 422 of the U.S. Code. To the extent that any Option (or portion thereof) exceeds this limit, such Option (or portion thereof) shall constitute a Non-Qualified Stock Option.
- j. Notice of Disqualifying Disposition.** By accepting an Incentive Stock Option granted under the Plan, the Participant agrees to notify the Corporation in writing promptly after the Participant makes a Disqualifying Disposition of any Common Shares acquired pursuant to the exercise of such Incentive Stock Option, such notification to include the date and terms of the Disqualifying Disposition and such other information as the Corporation may reasonably require.

#### 4. Options Granted To U.S. Participants In California

Solely with respect to U.S. Participants who are California residents, any Option granted under the Plan to an U.S. Participant who is a resident of the State of California on the date of grant (a "**California Optionee**") shall be subject to the following additional limitations, terms and conditions:

- a. Minimum Exercise Period Following Termination.** Unless a California Optionee's employment is terminated for Cause, in the event of termination of employment of such U.S. Participant, such U.S. Participant shall have the right to exercise an Option that has vested, to the extent that such U.S. Participant is otherwise entitled to exercise such Option on the date employment terminated, until the later of (i) the date set forth in the applicable Option Agreement or hereunder, or (ii) the earlier of: (1) the six (6) month anniversary from the date of termination, if termination was caused by such U.S. Participant's death or disability (as defined by applicable law, the terms of the Plan or Option grant or a contract of employment), (2) the thirty (30) day anniversary of the date of termination, if termination was caused other than by such U.S. Participant's death or disability and (3) the Option expiration date.
- b. Additional Limitations for Other Share-Based Awards.** The terms of all Options granted to a California Optionee shall comply, to the extent applicable, with Sections 260.140.42, 260.140.45 and 260.140.46 of the California Code of Regulations.

- c. **Additional Limitations on Timing of Awards.** No Option granted to a California Optionee shall become exercisable, vested or realizable, as applicable to such Option, unless the Plan has been approved by the holders of a majority of the Corporation's outstanding voting securities by the later of (i) within twelve (12) months before or after the date the Plan was adopted by the Board, or (ii) prior to or within twelve (12) months of the granting of any Option to a California Optionee.
- d. **Additional Restriction Regarding Recapitalizations, Stock Splits, Etc.** For purposes of Section 11.1 of the Plan, in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Corporation's securities underlying the Option without the receipt of consideration by the Corporation, the number of securities available for subscription, and in the case of Options, the exercise price of such Options, must be proportionately adjusted.
- e. **Additional Limitations on Transferability of Awards.** Notwithstanding anything to the contrary in the Plan, an Option granted to a California Optionee may not be transferred to an executor or guardian upon the disability of the U.S. Participant.

## 5. Settlement Of Share Units

Notwithstanding the timing of settlement described in Sections 6.3, 7.3 and 8.5 and Article 10 of the Plan and any other provision of the Plan to the contrary, but subject to Section 11 of this Addendum, settlements of vested Share Units granted to a U.S. Participant shall be settled on the date established in the Award Agreement; *provided however* that if the Award Agreement does not establish a date for the settlement of the Share Units, then the settlement date shall be no later than sixty (60) days following the earliest to occur of the U.S. Participant's retirement, termination, or death (which date shall not be earlier than the "separation from service" (within the meaning of Section 409A)). With respect to any Share Units awarded to a U.S. Participant, the Board shall endeavor to structure such Share Units, if necessary, so as to comply with or be exempt from Section 409A.

## 6. Change Of Control

Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity may assume any outstanding Options and Share Units or, in accordance with Section 409A to the extent applicable, substitute similar options or share units for the outstanding Options or Share Units, as applicable. All such assumed Share Units or substituted share units shall be paid, if ever, solely in accordance with Section 5 of this Addendum.

If (i) the Change of Control is a "change in control event" as defined under Section 409A and (ii) the surviving, successor or acquiring entity does not assume outstanding Share Units or substitute similar share units for outstanding Share Units, or if the Board otherwise determines in its sole discretion, the Corporation may terminate the Plan with respect to, and settle vested Awards held by, U.S. Participants in accordance with Section 409A.

- 7. **No Acceleration or Delay.** The acceleration or delay of the time or schedule of any vesting, exercise, settlement or payment of any Award that is subject to (or would make such Award subject to) Section 409A, whether or not in connection with a Change of Control, is prohibited except as permitted under Section 409A.
- 8. **Non-Assignability.** Notwithstanding Section 4.4 of the Plan, no Incentive Stock Option shall be transferable by the Participant otherwise than by will or by the laws of descent and distribution and all Incentive Stock Options shall be exercisable, during the Participant's lifetime, only by the Participant, or by the Participant's legal representative or guardian in the event of the Participant's Disability. Section 4.4 of the Plan shall apply to U.S. Participants with respect to Non-Qualified Stock Options and

Share Units to the extent permissible under applicable US securities and other laws and regulatory requirements.

9. **Amendments.** In addition to the provisions of Article 12 of the Plan, to the extent determined by the Board to be necessary or desirable to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the U.S. Code, Plan amendments as they relate to or affect U.S. Participants shall be subject to approval by the Corporation's shareholders entitled to vote at a meeting of shareholders to the extent such amendments require shareholder approval under Section 422 of the U.S. Code. Without limiting the foregoing, an amendment to increase the aggregate number of Common Shares which may be issued under the Plan in respect of Incentive Stock Options must be approved by the Corporation's shareholders within 12 months of adoption of such amendment.
10. **Duration of Plan for Incentive Stock Options.** The Plan including this Addendum was adopted by the Board as of November 2, 2022 (the "**Adoption Date**") and was approved by the Corporation's shareholders on [●], 2022 (the "**Approval Date**"). No Incentive Stock Options may be granted under this Plan (including this Addendum) after the tenth anniversary of the earlier of the Adoption Date or the Approval Date.
11. **Priority.** Except as specifically provided in this Addendum, the provisions of the Plan and the Participant's Award Agreement shall govern. For Participants who are U.S. Participants, in the event of any inconsistency or conflict between the provisions of (i) the Plan and/or the Participant's Award Agreement, and (ii) this Addendum, the terms of this Addendum shall prevail.
12. **Section 409A.** With respect to Awards to U.S. Participants under the Plan, each Option is intended to be exempt from, and each Share Unit is intended to comply with, Section 409A, and each provision of the Plan (including this Addendum) and applicable Award Agreement shall be interpreted and construed consistent with the applicable intent. With respect to Awards that are subject to Section 409A, all payments to be made upon or on a date determined by reference to a U.S. Participant's Termination Date shall only be made upon a Separation from Service, and in such a case, "termination," "separation" and similar terms will be construed accordingly. If on the date of the U.S. Participant's Separation from Service (i) the Corporation's stock (or stock of any other company that is required to be aggregated with the Corporation in accordance with the requirements of Section 409A) is publicly traded on an established securities market or otherwise, and (ii) the U.S. Participant is a Specified Employee, then any amounts payable to the Participant under the Plan due to, and upon or within 6 months following, the U.S. Participant's Separation from Service (other than due to death) will be postponed and instead paid in a single lump sum, without interest, within 30 days after the date that is 6 months following the U.S. Participant's Separation from Service; provided, that if the U.S. Participant dies prior to payment of any amounts postponed hereunder, such amounts shall be paid to the U.S. Participant's estate within 30 days following the U.S. Participant's death. Any payments described in the Plan that are due within the "short term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Section 409A. If any provision of the Plan, this Addendum or any Award or Award Agreement contravenes Section 409A or could cause a U.S. Participant to incur any tax, interest or penalties under Section 409A, the Board may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Section 409A, or to avoid incurring taxes, interest and penalties under Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Section 409A. However, the Corporation shall have no obligation to modify the Plan, this Addendum or any Award or Award Agreement and does not guarantee that Awards will not be subject to taxes, interest and penalties under Section 409A. Notwithstanding anything herein to the contrary, neither the Corporation nor any of its subsidiaries or affiliates shall have any liability to any Participant or to any other Person if the Plan, this Addendum or any Award or Award Agreement (or any payment or benefit provided with respect to any Award) that is intended to be exempt from or compliant with Section 409A is not so

exempt or compliant. The U.S. Participant shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

13. **Rule 701.** The Plan and any Award Agreement is a written compensation contract within the meaning of Rule 701 (“**Rule 701**”) under the U.S. Securities Act of 1933 (“**Securities Act**”) and, except to the extent specified otherwise, the grant of an Award is intended to qualify for the exemption from registration under the Securities Act provided by Rule 701.
14. **Withholding.** The Award is subject to applicable U.S. federal (including FICA), state, and local tax withholding requirements. The vesting and/or exercise of the Award, as applicable, shall be subject to the payment by the U.S. Participant to the Corporation of the amount of any federal, state, or local taxes that the Corporation is required to withhold with respect to such vesting and/or exercise, or in the alternative the Corporation may deduct from other wages paid by the Corporation the amount of any withholding taxes due with respect thereto up to the maximum statutory tax rates in the applicable jurisdiction(s) of the U.S. Participant or such other person. The Corporation may require forfeiture of the portion of the Option and/or any Share Units for which the U.S. Participant does not timely pay the applicable withholding taxes.
15. **280G.** In the event that the benefits provided for in this Plan or otherwise payable hereunder (a) constitute “parachute payments” within the meaning of Section 280G of the U.S. Code; and (b) would be subject to the excise tax imposed by Section 4999 of the U.S. Code (the “**Excise Tax**”), then the parties hereto will cooperate to ensure that the benefits hereunder will be either (i) delivered in full; or (ii) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the U.S. Participant’s receipt on an after-tax basis of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the U.S. Code. Unless mutually agreed in writing, any determination required under this section shall be made at no expense to U.S. Participant in writing by the Corporation’s independent public accountants, whose determination shall be conclusive and binding.
16. **Other Provisions.** The Plan is intended to constitute an “unfunded” plan for incentive compensation. With respect to any payments not yet made to an U.S. Participant by the Corporation, nothing contained herein shall give any such U.S. Participant any rights that are greater than those of a general creditor of the Corporation.