



NOTICE OF SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR
with respect to the Special Meeting of Shareholders to be held on January 16, 2024

Dated as of December 15, 2023

RESOURO STRATEGIC METALS INC.
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of all of the shareholders of Resouro Strategic Metals Inc. (the “**Company**”) will be held as a virtual shareholders’ meeting on Tuesday, January 16, 2024, at 10:00 AM (Eastern Standard Time), for the following purposes at the time and for the purposes set forth in the attached Notice of Meeting and at any adjournment thereof:

1. to consider and, if deemed advisable, to pass, with or without variation, an: (i) ordinary resolution; and (ii) ordinary resolution of disinterested shareholders, to amend the stock option plan, to, among other things, permit the Company to issue stock options exercisable for up to 14,193,752 common shares of the Company (“**Common Shares**”), being 20% of the current issued and outstanding Common Shares, a copy of such amended stock option plan is attached hereto as Schedule “A” (the “**Amended Option Plan**”);
2. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders to approve the grant of 4,000,000 options with an exercise price of \$0.20 per Common Share to Christopher Eager, the President and Chief Executive Officer of the Company, under the Amended Option Plan (the “**Acquisition Warrants**”), which grant would exceed the 10% limit of allowable options or Security Based Compensation to be granted to Insiders, as each such term is defined by the TSX Venture Exchange’s (the “**TSXV**”) policies, at any point in time and which grant would exceed the 5% limit of allowable options or Security Based Compensation to be granted to any one person in any one-year period;
3. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders to approve the issuance of additional options equal to up to 10% of the issued and outstanding common shares of the Company to Insiders of the Company within the next 12 month period, in excess of the grant of the Acquisition Warrants;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders to approve the issuance of additional options equal to up to 5% of the issued and outstanding common shares of the Company to Christopher Eager, President and Chief Executive Officer of the Company within the next 12 month period, in excess of the grant of the Acquisition Warrants; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

This notice is accompanied by a management information circular (the “**Information Circular**”) and form of proxy or voting instruction form, as applicable.

The board of directors of the Company has by resolution fixed the close of business on December 15, 2023, as the record date for the Meeting, being the date for the determination of the registered holders of the common shares of the Company entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof (the “**Record Date**”).

Information relating to the items above is set forth in the Information Circular. Only shareholders of record as of the Record Date, are entitled to notice of the Meeting and to vote at the Meeting and at any adjournment or postponement thereof. Shareholders are encouraged to vote their proxy either: online @www.agmconnect.com/resouro2024 or by mail-complete, date and sign the enclosed form of proxy, and to return it in the envelope provided.

Registered Shareholders who are unable to attend the virtual Meeting are requested to complete, sign and date the accompanying form of proxy or voting instruction form in accordance with the instructions provided therein and in the Information Circular and return it in accordance with the instructions and timelines set forth in the Information Circular. Non-registered (or beneficial) shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as “guests”, but will not be able to participate, submit questions or vote at the virtual Meeting.

Only persons registered as shareholders on the records of the Company as of the close of business on the Record Date are entitled to receive notice of, and to vote or act, at the Meeting. No person who becomes a shareholder after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof. If a shareholder receives more than one proxy form because such shareholder owns shares registered in different names or addresses, each proxy form should be completed and returned as indicated in the proxy form.

DATED at Toronto, Ontario as of the 15th day of December 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(SIGNED) "Christopher Eager" _____

Christopher Eager

President, Chief Executive Officer and Director

RESOURO STRATEGIC METALS INC.

Management Information Circular

Unless otherwise stated, information contained herein is given as of December 15, 2023. All references to dollar amounts herein are references to Canadian dollars unless otherwise indicated.

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

PURPOSE OF SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the management of Resouro Strategic Metals Inc. (“**Company**”) for use at the special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares in the capital of the Company (“**Common Shares**”). The Meeting will be held virtually through the platform of AGM Connect www.agmconnect.com/resouro2024 on **January 16, 2024 at 10:00 a.m.** (Eastern Standard Time), for the purposes set forth in the notice of meeting of Shareholders (the “**Notice of Meeting**”) accompanying this Information Circular. References in this Information Circular to the Meeting include any adjournment or postponements thereof. Information contained herein is given as of December 15, 2023, unless otherwise specifically stated.

It is expected that the solicitation of proxies will be primarily by mail. However, proxies may also be solicited by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. Brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Common Shares. The costs of soliciting proxies will be borne by the Company.

REGISTERED SHAREHOLDERS VOTING BY PROXY

Enclosed with this Information Circular is a form of proxy. The persons named in the enclosed form of proxy are officers and/or directors of the Company. **Every Shareholder of the Company has the right to appoint a person (who need not be a Shareholder of the Company) other than the persons already named in the enclosed form of proxy to represent such Shareholder of the Company at the virtual Meeting by striking out the printed names of such persons and clearly printing the name of such other person AND an email address for contact in the blank space provided therein for that purpose.** In order to be valid, a proxy must be received by AGM Connect, 401 Bay Street, Suite 2704, Toronto, Ontario, M5H 2Y4 by 10:00 am on January 14, 2024 or in the event of an adjournment or postponement of the Meeting, no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time for holding the adjourned or postponed Meeting.

Shareholders may also elect to vote electronically in respect of any matter to be acted upon at the Meeting. Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper form of proxy. To vote electronically, registered Shareholders are asked to go to the website shown on the form of proxy and follow the instructions on the screen. Please note that each Shareholder exercising the electronic voting option will need to refer to the Voter ID & Meeting Access Code indicated on their proxy form to identify themselves in the electronic voting system, an email address of choice will also be required for verification. Shareholders should also refer to the instructions on the proxy form for information regarding the deadline for voting shares electronically. If a Shareholder votes electronically he or she is asked not to return the paper form of proxy by mail.

In order to be effective, a form of proxy must be executed by a shareholder exactly as his or her name appears on the register of shareholders of the Company. Additional execution instructions are set out in the notes to the form of proxy. The proxy must also be dated where indicated. If the date is not completed, the proxy will be deemed to be dated on the day on which it was mailed to shareholders.

The management representatives designated in the enclosed form of proxy will vote the Common Shares in respect of which they are appointed proxy in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In the absence of such direction, such Common Shares will be voted by the management representatives named in such form of proxy in favour of each of the matters referred to in the Notice and will be voted by such representatives on all other matters which may come before the Meeting in their discretion.

THE ENCLOSED FORM OF PROXY OR VOTER INSTRUCTION FORM, WHEN PROPERLY SIGNED, CONFERS DISCRETIONARY VOTING AUTHORITY ON THOSE PERSONS DESIGNATED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.

At the time of printing of this Information Circular, management of the Company knows of no such amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice and this Information Circular. **However, if any matters which are not now known to management of the Company should properly come before the Meeting, the Common Shares represented by proxies in favour of the Management Nominees will be voted on such matters in accordance with the best judgement of the Management Nominee.**

APPOINTMENT AND REVOCATION OF PROXIES

Enclosed herewith is a form of proxy (the “Form of Proxy”) for use at the Meeting. The persons named in the Form of Proxy are officers of the Company. A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent him or her at the Meeting other than the persons designated in the enclosed Form of Proxy by inserting the name of his or her chosen nominee in the space provided.

A Form of Proxy will not be valid for the Meeting unless it is signed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, it is executed by a duly authorized officer or attorney thereof. A Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to AGM Connect by mail or hand delivery to 2704-401 Bay Street, Toronto, ON M5H 2Y4. In order to be valid and acted upon at the Meeting, the Form of Proxy must be received no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of any adjourned Meeting. You may also send your proxies via email at voteproxy@agmconnect.com or vote your shares online at www.agmconnect.com/resouro2024.

If you are a Beneficial Shareholder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing executed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the registered office of the Company or the office of AGM Connect at any time prior to 10:00 a.m. January 16, 2024 (Eastern Standard Time), the last business day preceding the day of the Meeting at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders who hold Common Shares through brokers and their nominees, as a substantial number of Shareholders do not hold Common Shares in their own name.

Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder’s name. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of the broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Common Shares are registered under the name Cede & Co. (the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms). Common Shares held by brokers (or their agents) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. Each Beneficial Shareholder should therefore ensure that the voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent

of the broker) is substantially similar to the instrument of proxy provided directly to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The Beneficial Shareholder is requested to complete and return the VIF to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call 1-855-839-3715 or visit www.agmconnect.com/resouro2024 to vote the Common Shares held by the Beneficial Shareholder.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are called Non-Objecting Beneficial Owners (“**NOBOs**”). Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Company are called Objecting Beneficial Owners. **In accordance with the requirements of NI 54-101, the Company has elected to send the Notice of Meeting and this Information Circular (collectively, the “Meeting Materials”) directly to NOBOs.**

The Meeting Materials are being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Meeting Materials sent to the NOBOs who have not waived the right to receive meeting materials are accompanied by a Voting Instruction Form (“**VIF**”), instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a NOBO can instruct the voting of the Common Shares owned by the NOBO. VIFs, whether provided by the Company or by an intermediary, should be completed and returned in accordance with the specific instructions of the VIF. The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Common Shares which they beneficially own. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on the Beneficial Shareholder’s behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder, or Beneficial Shareholder’s nominee, the right to attend and vote at the Meeting.

A Beneficial Shareholder who receives a VIF cannot use the form to vote Common Shares directly at the Meeting. The VIF must be returned to the intermediary (or instructions respecting the voting Common Shares must otherwise be communicated to the intermediary) well in advance of the Meeting in order to have the Common Shares voted. Although a Beneficial Shareholder may not be recognized at the Meeting for the purpose of voting Common Shares registered in the name of the broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered holder, should visit www.agmconnect.com/resouro2024 well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a proxyholder.

All references to Shareholders in this Information Circular and the accompanying VIF or proxy and Notice of Meeting are to Registered Shareholders unless specifically stated otherwise.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called, in accordance with the instructions given by the Shareholder, and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of any such instruction, the persons whose names appear on the printed Form of Proxy will vote in favour of all the matters set out thereon.** The enclosed Form of Proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The board of directors of the Company (the “**Board**”) has fixed **December 15, 2023**, as the record date (the “**Record Date**”). Holders of Common Shares at the close of business on the Record Date are entitled to receive notice and vote at the Meeting on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later

than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case, the transferee shall be entitled to vote his or her Common Shares at the Meeting.

As at the date of this Information Circular, the Company had 70,968,764 fully paid and non-assessable Common Shares issued and outstanding.

As at the date of this Information Circular, the directors and executive officers of the Company as a group beneficially owned, directly or indirectly, or exercised control or direction over, 18,876,464 Common Shares, representing approximately 26.60% of the presently issued and outstanding Common Shares.

QUORUM

The quorum for the transaction of business at a meeting of shareholders is one shareholder present in person, or one proxyholder representing one shareholder, holding no less than one share entitled to vote at the Meeting.

No business may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

AMENDED STOCK OPTION PLAN

The Company has a stock option plan (the “**Option Plan**”) that enables officers, directors, employees and consultants of the Company and its subsidiaries to acquire an equity interest in the Company through the award of options. The Option Plan is an important part of the Company’s compensation program as it provides a mechanism to attract, retain and motivate personnel that are essential to the long-term success of the Company.

The Option Plan currently in effect is a 10% rolling stock option plan, which provides that at any given time, the Company can issue options issuable into Common Shares of the Company up to a maximum of 10% of the issued and outstanding Common Shares, of the Company. As at December 15, 2023, the Company has 6,810,000 options issued and outstanding, equal to 9.60% of the issued and outstanding shares of the Company.

At the Meeting, Shareholders will be asked to consider an ordinary resolution (the “**Option Plan Amendment Resolution**”) to amend the Option Plan to increase the maximum number of Common Shares that may be issued pursuant to the Option Plan from a 10% “rolling” stock option plan to a 20% “fixed” stock option plan. The Board believes that it is necessary to increase the number of Common Shares available to be issued pursuant to options to ensure that the Company can offer consideration to Christopher Eager, President and Chief Executive Officer of the Company, for the acquisition of 33% of Tiros Project.

On December 14, 2023, the Board approved, subject to receipt of the requisite shareholder and TSX Venture Exchange (“**TSXV**”) approval being obtained, a 20% “fixed” stock option plan, which provides that the number of Common Shares issuable pursuant to outstanding options must not exceed that number of Common Shares equal to 20% of the issued and outstanding Common Shares on the date the shareholders approve the option plan. A copy of the proposed amended Option Plan (the “**Amended Option Plan**”) as approved by the Board is attached hereto as Schedule “A”. Any definitions or capitalized terms used or referenced below have the same meaning attributed to them in the Amended Option Plan. As at December 15, 2023, under the Amended Option Plan, the Company can issue an aggregate of 14,193,752 options or an additional 7,383,752 options.

As a result, and assuming such approvals are obtained, the Option Plan will be of no further force and effect and the Acquisition Warrants, all options and stock option agreements issued under the Option Plan will be deemed to be issued under the Amended Option Plan and henceforth governed under the Amended Option Plan. The Amended Option Plan complies with TSXV policy 4.4 – *Security Based Compensation* (“**Policy 4.4**”) which was amended on November 24, 2021.

Policy 4.4 allows for the option and ability to exercise stock options on both a cashless exercise and net exercise basis. Pursuant to the Amended Option Plan, under a cashless exercise, a brokerage firm will loan money to a participant under the Amended Option Plan to purchase Common Shares underlying the options and will sell a sufficient number of Common Shares to cover the exercise price of such options in order to repay the loan made to the participant and the participant retains the balance of

the Common Shares. In connection with a net exercise, a participant under the Amended Option Plan would receive Common Shares equal in value to the difference between the exercise price and the fair market value of the Common Shares on the date of exercise, computed in accordance with the Amended Option Plan.

In addition, in accordance with Policy 4.4, pursuant to the Amended Option Plan, amendments to any of the following provisions of the Amended Option Plan are subject to shareholder approval:

- (a) persons eligible to be granted or issued options under the Amended Option Plan;
- (b) the maximum number or percentage, as the case may be, of listed shares that may be issuable under the Amended Option Plan;
- (c) the limits under the Amended Option Plan on the amount of options that may be granted or issued to any one person or any category of persons (such as, for example, Insiders);
- (d) the method for determining the exercise price of the options;
- (e) the maximum term of the options;
- (f) the expiry and termination provisions applicable to the options, including the addition of a blackout period;
- (g) the addition of a Net Exercise (as those terms are defined in the policies of the TSXV) provision; and
- (h) any method or formula for calculating prices, values or amounts under the Amended Option Plan that may result in a benefit to a Participant, including but not limited to the formula for calculating the appreciation of a Stock Appreciation Right (as defined in the policies of the TSXV).

The other significant terms of the Amended Option Plan are summarized as follows. The Amended Option Plan shall be administered by the Board of the Company, or if appointed, by a special committee of directors appointed from time to time by the Board. The aggregate number of Common Shares which may be reserved for issuance under the Amended Option Plan shall not exceed 14,193,752 Common Shares (20% of the Company's current issued and outstanding shares). The number of Common Shares subject to an option to a participant shall be determined by the Board, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Common Shares covered by each option shall be determined by the Board, provided however, that the exercise price shall not be less than the lowest price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction, subject that the exercise price will not be lower than the Discounted Market Price as defined in the TSXV's policies. The maximum length of any option shall be ten (10) years from the date the option is granted, provided that participant's options expire ninety (90) days after a participant ceases to act for the Company, subject to extension at the discretion of the Board, except upon the death of a participant, in which case the participant's estate shall have twelve (12) months in which to exercise the outstanding options. The Amended Option Plan includes a provision that should an option expiration date fall within a blackout period, the expiration date will automatically be extended for ten (10) business days following the end of the blackout period.

The Amended Option Plan is subject to the following limitations on grants and issuances:

- (a) the number of Common Shares reserved for issuance to insiders (as a group) pursuant to all security based compensation granted to a participant at any point in time and during any 12 month period shall not exceed 10% of the issued and outstanding Common Shares;
- (b) the number of Common Shares reserved for issuance to any one participant pursuant to all security based compensation granted to a participant during any 12 month period shall not exceed 5% of the issued and outstanding Common Shares;
- (c) the number of Common Shares reserved for issuance to any one participant, who is a consultant, during any 12 month period shall not exceed 2% of the issued and outstanding Common Shares; and

- (d) the number of Common Shares reserved for issuance to all participants who are engaged or employed in investor relations activities during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding Common Shares.

The shareholders of the Company will be asked to consider and if thought fit, approve an ordinary resolution approving and adopting the Amended Option Plan as the Company's stock option plan.

In order for the resolution approving and adopting the Amended Option Plan to be effective, it must be approved by: (i) the affirmative vote of a majority of the votes cast in respect thereof by the shareholders of the Company; AND (ii) the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting, excluding the votes, if any, cast by Insiders (as defined in the policies of the TSXV) of the Company to whom options may be granted under the Amended Option Plan, as well as the Affiliates and Associates (as defined in the policies of the TSXV) of such Insiders. As of the date hereof, such Insiders (together with their Affiliates and Associates) hold an aggregate of 18,876,464 Common Shares, all of which will be excluded from the disinterested shareholder vote to be held. At the Meeting, shareholders will be asked to consider, and if thought appropriate, pass the following resolution:

"BE IT RESOLVED, as an ordinary resolution of the shareholders of Resouro Strategic Metals Inc. (the **"Company"**), that:

1. the Amended Option Plan, as described in the management information circular of the Company dated December 15, 2023 and in the form set out in Schedule "A" thereto, be and is hereby approved, ratified and confirmed;
2. an aggregate of 14,193,752 Common Shares or such additional amount as may be approved from time to time by the shareholders of the Company and the TSXV, are reserved, set aside and allotted for issuance under the Amended Option Plan;
3. the termination of the current stock option plan (the **"Plan"**) of the Company is hereby approved;
4. all issued and outstanding stock options previously granted under the Plan are hereby continued under and governed by the Amended Option Plan;
5. any director or officer of the Company is hereby authorized to make any and all additions, deletions and modifications to the Amended Option Plan as may be necessary or advisable to give effect to this ordinary resolution or as may be required by applicable regulatory authorities including any stock exchange on which the Common Shares are or will be listed; and
6. any director or officer of the Company is authorized and directed for and in the name of and on behalf of the Company to execute and deliver or cause to be delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this resolution."

The form of resolution approving the Amended Option Plan is subject to such amendments as management may determine, in their sole discretion, necessary to effect the Option Plan Amendment Resolution. The Board unanimously recommends a vote in favour of approving the Option Plan Amendment Resolution. In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the Option Plan Amendment Resolution.

ISSUANCE OF OPTIONS IN EXCESS OF 10% LIMIT FOR INSIDERS AND 5% TO ANY ONE PERSON

The Amended Option Plan, as described above, has restrictions for the granting of options to Insiders in accordance with the policies of the TSXV and for the granting of options to any one Person, as such term is defined by the TSXV's policies, in accordance with the policies of the TSXV. Disinterested shareholder approval is required where the aggregate number of Common Shares that may be issued pursuant to the Amended Option Plan and any other share compensation arrangement to Insiders exceeds 10% of the outstanding Common Shares at any point. As at December 15, 2023, the Company has 4,460,000 options issued and outstanding to Insiders, being equal to 6.28% of the issued and outstanding Common Shares of the Company.

Disinterested shareholder approval is also required where the aggregate number of Common Shares that may be issued pursuant to the Amended Option Plan and any other share compensation arrangement to any one Person exceeds 5% of the outstanding Common Shares at any point.

At the Meeting, the shareholders will be asked to consider an ordinary resolution of disinterested shareholders to approve the issuance of 4,000,000 non-transferable options pursuant to the Amended Option Plan, with an exercise price of \$0.20 per option with an expiry date of five years from August 2, 2023 (the "**Acquisition Warrants**") to Christopher Eager, the Company's President and Chief Executive Officer (the "**CEO**"), representing 5.64% of the current issued and outstanding Common Shares (the "**Acquisition Warrant Resolution**"). The Acquisition Warrants, along with the currently issued and outstanding 4,460,000 options previously granted to Insiders of the Company will result in:

- (i) the Insiders of the Company: (i) holding options to acquire 11.92% of the issued and outstanding shares of the Company which will exceed the 10% allowable limit of options granted to Insiders (as a group) without disinterested shareholder approval; and (ii) the grant of options to Insiders (as a group) within a 12 month period of an aggregate number of options which will exceed the 10% allowable limit without disinterested shareholder approval (collectively, "**Excess of 10% Threshold**"); and
- (ii) the CEO will have been granted options to acquire Common Shares which will exceed the 5% allowable limit of options granted to any one Participant (as defined in the Amended Option Plan) within a 12 month period without disinterested shareholder approval ("**Excess of 5% Threshold**").

The Board believes that it is necessary to provide the ability for the Company to issue the Acquisition Warrants to CEO in connection with the previously announced acquisition of an interest in the Tiros Rare Earths and the titanium project in Brazil (the "**Tiros Project**").

In relation to the acquisition of the Tiros Project, the Company entered into an agreement (the "**Resmin Agreement**") with Resmin Pte Ltd. ("**Resmin**"), a company controlled by Christopher Eager, President and CEO of the Company, to acquire all the issued and outstanding ordinary shares of Brazil Copper Pte Ltd. (Singapore) ("**BCS**"). For the assignment and transfer of the 80,000 BCS common shares to be completed pursuant to the Resmin Agreement, comprising 100 % of the existing BCS equity on issue as at the date of the Resmin Agreement, the Company was permitted to, subject to TSXV approval, issue a total of 4,000,000 of the Company's share purchase options directly to Resmin or to whom Resmin expressly indicated, which Resmin has directed be issued to Christopher Eager, with a strike price of CAD\$0.20 per and expiring five years from the issuance date. These options contemplated by the Resmin Agreement make up the Acquisition Warrants.

In order for the Acquisition Warrant Resolution to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting, excluding the votes, if any, cast by: (i) in respect of the Excess of 10% Threshold, all Insiders (as defined in the policies of the TSXV) of the Company to whom options may be granted under the Amended Option Plan, as well as the Affiliates and Associates (as defined in the policies of the TSXV) of such Insiders; and (ii) in respect of the Excess of 5% Threshold, the CEO. As of the date hereof, the Insiders (together with their Affiliates and Associates) hold an aggregate of 18,876,464 Common Shares and the CEO holds 18,155,750 Common Shares. All Common Shares held by Insiders (together with their Affiliates and Associates), including those held by the CEO, will be excluded from the vote to be held in respect of the Acquisition Warrant Resolution. At the Meeting, shareholders will be asked to consider, and if thought appropriate, pass the following resolution:

"BE IT RESOLVED, as an ordinary resolution of the disinterested shareholders of Resouro Strategic Metals Inc. (the "**Company**"), that:

1. the Board be and is hereby authorized to issue 4,000,000 options to Christopher Eager (the "**Options**"), which combined with the outstanding 4,460,000 options issued to directors and officers of the Company represents options to purchase 11.92% of the issued and outstanding common shares of the Company, which exceeds the 10% allowable limit of options issued to Insiders, as such term is defined in the policies of the TSX Venture Exchange (the "**TSXV**"), at any point in time or within a 12 month period;
2. the Board be and is hereby authorized to issue the Options to Christopher Eager, which represents options to

purchase 5.64% of the issued and outstanding common shares of the Company, which exceeds the 5% allowable limit of options issued to any one Person, as such term is defined in the policies TSXV;

3. the Options are subject to the Amended Option Plan, as amended from time to time, as well as the additional terms described below:
 - (a) the Options shall have an exercise price equal to CDN\$0.20;
 - (b) the Options shall be non-transferable; and
 - (c) the Options shall expire on August 2, 2028.
4. upon valid exercise of any Option in accordance with its terms, any director or officer is hereby authorized to execute and deliver one or more share certificates representing the common shares issuable under the terms thereof to the Optionee entitled to receive such share certificates; and
5. any director or officer of the Company is authorized and directed for and in the name of and on behalf of the Company to execute and deliver or cause to be delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this resolution.”

The Board unanimously recommends a vote in favour of the Acquisition Warrant Resolution. In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the Option Resolution.

ISSUANCE OF OPTIONS EQUAL TO UP TO 10% OF COMMON SHARES TO INSIDERS FOLLOWING ISSUANCE

Following the issuance of the Acquisition Warrants, the Company will have issued and outstanding 10,810,000 options pursuant to the Amended Option Plan. The Board proposes that to provide flexibility in equity compensation grants and to uphold the purpose of the Amended Option Plan, the shareholders approve the grant of additional options to Insiders of the Company, in an amount equal to up to 10% of the issued and outstanding Common Shares of the Company to Insiders of the Company, excluding the Acquisition Warrants contemplated herein. For greater certainty, such approval shall permit the Company to (i) grant to Insiders (as a group), within a 12 month period, such aggregate number of options (excluding the Acquisition Warrants) as is equal to up to 10% of the issued and outstanding Common Shares at any point in time; and (ii) reserve for issuance pursuant to the Amended Option Plan, such number of Common Shares (excluding Common Shares issuable upon exercise of the Acquisition Warrants) as is equal to up to 10% of the issued and outstanding Common Shares, at any point in time (collectively, the “**Additional Insider Option Issuances**”), without seeking further disinterested shareholder approval in connection with such Additional Insider Option Issuances.

In order for the resolution approving the Additional Insider Option Issuance to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting, excluding the votes, if any, cast by Insiders (as defined in the policies of the TSXV) of the Company to whom options may be granted under the Amended Option Plan, as well as the Affiliates and Associates (as defined in the policies of the TSXV) of such Insiders. As of the date hereof, such Insiders (together with their Affiliates and Associates) hold an aggregate of 18,876,464 Common Shares, all of which will be excluded from the disinterested shareholder vote to be held. At the Meeting, shareholders will be asked to consider, and if thought appropriate, pass the following resolution (the “**Insider Resolution**”):

“BE IT RESOLVED, as an ordinary resolution of the disinterested shareholders of Resouro Strategic Metals Inc. (the “**Company**”), that:

1. the Board be and is hereby authorized to grant to Insiders of the Company, within a 12 month period, such number of options under the Amended Stock Option Plan (excluding the 4,000,000 options granted to Christopher Eager (the “**Acquisition Warrants**”), as approved via disinterested shareholder approval at a special meeting of the Company held January 16, 2024) as is equal to 10% of the issued and outstanding Common Shares, without seeking further shareholder approval;
2. the Board be and is authorized to reserve for issuance pursuant to the Amended Option Plan, such number of Common Shares (excluding Common Shares issuable upon the exercise of the Acquisition Warrants) as is

equal to up to 10% of the issued and outstanding Common Shares at any point in time, without seeking further shareholder approval; and

3. any director or officer of the Company is authorized and directed for and in the name of and on behalf of the Company to execute and deliver or cause to be delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this resolution.”

The Board unanimously recommends a vote in favour of the Insider Resolution. In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the Insider Resolution.

ISSUANCE OF OPTIONS EQUAL TO UP TO 5% OF COMMON SHARES TO CHRISTOPHER EAGER FOLLOWING ISSUANCE

The Board proposes that to provide flexibility in equity compensation grants and to uphold the purpose of the Amended Option Plan, the shareholders approve the grant of additional options equal to up to 5% of the issued and outstanding Common Shares of the Company to the CEO, exclusive of the Acquisition Warrants proposed to be granted to the CEO as contemplated herein.

The shareholders will be asked to consider an ordinary resolution of disinterested shareholders to approve the grant of options to acquire Common Shares equal to up to 5% of the issued and outstanding Common Shares of the Company to the CEO, within a 12 month period, in addition to, and exclusive of, the Acquisition Warrants proposed to be granted to the CEO herein, without further disinterested shareholder approval (the “**CEO Resolution**”).

In order for the CEO Resolution to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting, excluding the votes, if any, cast by the CEO of the Company to whom options may be granted under the Amended Option Plan, as well as the Affiliates and Associates (as defined in the policies of the TSXV) of the CEO. As of the date hereof, the (together with their Affiliates and Associates) holds an aggregate of 18,155,750 Common Shares, all of which will be excluded from the disinterested shareholder vote to be held. At the Meeting, shareholders will be asked to consider, and if thought appropriate, pass the following resolution:

“BE IT RESOLVED, as an ordinary resolution of the disinterested shareholders of Resouro Strategic Metals Inc. (the “**Company**”), that:

1. the Board be and is hereby authorized to issue options to Christopher Eager, CEO of the Company, within a 12 month period, such number of options under the Amended Stock Option Plan (excluding the 4,000,000 options granted to Christopher Eager, as approved via disinterested shareholder approval at a special meeting of the Company held January 16, 2024), as is equal to 5% of the issued and outstanding Common Shares, without seeking further shareholder approval; and
2. any director or officer of the Company is authorized and directed for and in the name of and on behalf of the Company to execute and deliver or cause to be delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this resolution.”

The Board unanimously recommends a vote in favour of the CEO Resolution. In the absence of instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the CEO Resolution.

OTHER MATTERS

Management of the Company is not aware of any other matters that will be brought before the Meeting other than those set forth in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgement of the persons voting such proxies.

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company, at 3rd floor, 510 Burrard Street, Vancouver, BC, V6C 3B9, is the registrar and transferagent for the Common Shares.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.com. Shareholders of the Company may contact namrata@grovecorp.ca to request copies of the Financial Statements and MD&A. Financial information regarding the Company is provided in the Company's Financial Statements and MD&A for the most recently completed financial year. The Company may require the payment of a reasonable charge from any person who is not a shareholder of the Company and who requests a copy of any such documents.

BOARD OF DIRECTORS APPROVAL

The undersigned hereby certifies that the contents and sending of this Information Circular to the shareholders of the Company have been approved by the Board.

DATED at Toronto, Ontario this 15th day of December 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(SIGNED) "Christopher Eager" _____

Christopher Eager

Director, President and Chief Executive Officer

SCHEDULE A
AMENDED OPTION PLAN
[see attached]

RESOURO STRATEGIC METALS INC. 2023 STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the “**Plan**”) of Resouro Strategic Metals Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia) (the “**Company**”) is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Company (the “**Shares**”), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

2. Implementation

The Plan shall be approved by the Board of Directors and shareholders of the Company at the time it is implemented.

3. Administration

The Plan shall be administered by the Board of Directors of the Company or by a special committee of the directors appointed from time to time by the Board of Directors of the Company pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Company, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

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

Each option (“**Option**”) granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Company and by the optionee, in such form as the Board shall approve (an “**Option Agreement**”). Each Option Agreement shall recite that it is subject to the provisions of this Plan.

Each Option granted by the Company prior to the date of the approval of the Plan by the shareholders of the Company, including Options granted under previously approved stock option plans of the Company, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Company.

4. Stock Exchange Rules

All Options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Company are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the “**Exchange**”).

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in *TSX Venture Exchange Policy 4.4 - Security Based Compensation and Policy 1.1 - Interpretation* and any other policies set forth in the Corporate Finance Manual of the TSX Venture Exchange applicable to incentive stock options.

5. Shares Subject to Plan

Subject to adjustment as provided in Section 19 hereof, the Shares to be offered under the Plan shall consist of common shares of the Company’s authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all Options granted under the Plan and all such Security Based Compensation Plans shall not exceed 14,193,752 Shares. If any Option granted hereunder is settled in cash, cancelled, terminated, expired, surrendered, or forfeited for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again

be available for the purpose of this Plan.

“**Security Based Compensation**” has the meaning ascribed to “security based compensation” in *Policy 4.4 – Security Based Compensation* of the TSX Venture Exchange, as amended from time to time.

“**Security Based Compensation Plan**” includes any Stock Option Plan, Deferred Share Unit Plan, Performance Share Unit Plan, Restricted Share Unit Plan, Stock Appreciation Right Plan, Stock Purchase Plan and/or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Company from treasury to a Participant.

6. Maintenance of Sufficient Capital

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

7. Eligibility and Participation

Directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold Options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the Options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom Options shall be granted, the terms and provisions of the respective Option Agreement, the time or times at which such Options shall be granted and vested, and the number of Shares to be subject to each Option. No Option may be granted or issued unless the Option is allocated to a particular Participant. In the case of employees or consultants of the Company or Management Company Employees, the Option Agreement to which they are party must contain a representation of the Company and Participant that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Company or its subsidiaries.

A Participant who has been granted an Option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange and terms hereof, be granted an additional Option or Options if the Board shall so determine.

8. Exercise Price

- (a) Options may be exercised at a price that shall be fixed by the Board at the time that the Option is granted (the “Exercise Price”), provided that such Exercise Price shall in no event be lower than the Discounted Market Price, as such term is defined by the policies of the Exchange, or the lowest price permitted by the policies of the Exchange.
- (b) Once the Exercise Price has been determined by the Board, accepted by the Exchange and the Option has been granted, the exercise price of an Option may be reduced upon receipt of Board approval, provided that in the case of Options held by Insiders (as defined in the policies of the Exchange) of the Company, the Exercise Price of an Option may be reduced only if disinterested shareholder approval is obtained.

9. Number of Optioned Shares

- (a) The aggregate number of Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 14,193,752 Shares (unless the Company has obtained the requisite disinterested shareholder approval), subject to the following additional limitations:
 - (i) the aggregate number of Shares issuable pursuant to all Security Based Compensation granted to any one Participant (and companies wholly owned by that Participant) in a twelve (12) month period must not exceed 5% of the issued and outstanding Shares, calculated on the date the Security Based

Compensation is granted or issued to the Participant (unless the Company has obtained the requisite disinterested shareholder approval);

- (ii) the maximum number of Shares reserved for issuance pursuant to all Security Based Compensation granted to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares at any point in time (unless the Company has obtained the requisite disinterested shareholder approval);
 - (iii) the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Security Based Compensation must not exceed 10% of the issued and outstanding Shares, calculated as at the date the Security Based Compensation is granted or issued to any Insider (unless the Company has obtained the requisite disinterested shareholder approval);
 - (iv) the aggregate number of Security Based Compensation granted to any one Consultant, within a twelve (12) month period, must not exceed 2% of the issued and outstanding Shares, calculated as at the date the Security Based Compensation is granted or issued to the Consultant; and
 - (v) the aggregate number of Options granted to all persons employed to provide investor relation activities shall not exceed 2% of the issued and outstanding Shares of the Company in any twelve (12) month period, calculated as at the date an Option is granted or issued to any such person. Options granted to persons retained to perform investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the Options vesting in any 3 month period.
- (b) The number of Shares subject to an Option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an Option which exceeds the maximum number permitted by the Exchange.
- (c) All eligible persons performing investor relations activities may not receive any Security Based Compensation other than Options.

10. Duration of Option

Each Option and all rights thereunder shall be expressed to expire on the date set out in the Option Agreement and shall be subject to earlier termination as provided in Sections 15 and 16, provided that in no circumstances shall the duration of an Option exceed the maximum term permitted by the Exchange. For greater certainty, if the Company is listed on the TSX Venture Exchange, the maximum term may not exceed ten (10) years from the date of grant (subject to extension where the expiry date falls within a Black Out Period, as defined herein).

Should the expiry date of an Option fall within a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth (10th) business day after the expiry of the Black Out Period, such tenth (10th) business day to be considered the expiry date for such Option for all purposes under the Plan. The ten (10) business day period referred to in this paragraph may not be extended by the Board. Notwithstanding anything to the contrary in this Plan, the automatic extension of a Participant's Option is not permitted where the Participant or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

"Black Out Period" means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Company pursuant to any internal trading policy of the Company as a result of the *bona fide* existence of undisclosed material information. The internal trading policy of the Company is in respect of a restriction on trading that is in effect at that time or a notice in writing to a Participant by a senior officer or director of the Company. The Black Out Period shall expire following the general disclosure of the undisclosed material information.

11. Hold Period

All Options are subject to Exchange hold periods where applicable. A 4-month hold period (commencing on the date the Options are granted) is required for Options granted to:

- (a) directors, officers and promoters of the Company;
- (b) Consultants (as defined in TSX Venture Exchange *Policy 4.4 – Security Based Compensation*) of the Company;
- (c) Persons holding securities carrying more than 10% of the voting rights attached to the Company's securities both immediately before and after the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company;
- (d) Options granted by the Company to a Participant with an Exercise Price that is less than the applicable market price; or
- (e) securities issued at a price or deemed price that is less than \$0.05.

12. Option Term, Consideration and Payment

- (a) The term for any Option shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the Option term shall be reduced with respect to any Option as provided in Sections 15 and 16 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Company or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Acceleration of vesting is permitted in connection with Participant's death or where Participant ceases to be an eligible Participant in connection with a change of control, take-over bid, reverse take-over or other similar transaction. There shall be no acceleration of the vesting provisions to Options issued to persons employed to provide investor relation activities without prior Exchange acceptance.
- (d) Subject to any vesting restrictions imposed by the Board, Options may be exercised in whole or in part at any time and from time to time during the Option term. To the extent required by the Exchange, no Options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.
- (e) Except as set forth in Sections 15 and 16, no Option may be exercised unless the Participant is at the time of such exercise, a director, officer, consultant, or employee of the Company or any of its subsidiaries, or a Management Company Employee of the Company or any of its subsidiaries.
- (f) The exercise of any Option will be contingent upon receipt by the Company at its head office of a written notice of exercise ("Option Exercise Notice"), specifying the number of Shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque, wire transfer or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Company unless and until the certificates for Shares issuable pursuant to Options under the Plan are issued to him or them under the terms of the Plan.

13. Cashless Exercise

Without limiting the foregoing section 12(f), unless otherwise determined by the Board or not compliant with any applicable laws or rules of any applicable securities exchange or market, a Participant may elect cashless exercise in its Option Exercise Notice. In such case, the Participant will not be required to deliver to the Company a cheque or other form of payment for the aggregate Exercise Price referred to above. Instead the following provisions will apply:

- (a) The Participant will instruct a broker selected by the Company to sell through the stock exchange or market on which the Shares are listed or quoted, sufficient number of Shares issuable on the exercise of Options to

cover the Exercise Price, as soon as possible upon the issue of such Shares to the Participant at the then applicable bid price of the Shares.

- (b) Before the relevant trade date, the Participant will deliver the Option Exercise Notice including details of the trades to the Company electing the cashless exercise and the Company will direct its registrar and transfer agent to issue a certificate for such Participant's Shares in the name of the broker (or as the broker may otherwise direct) for the number of Shares issued on the exercise of the Options, against payment by the broker to the Company of (i) the Exercise Price for such Shares; and (ii) the amount the Company determines, in its discretion, is required to satisfy the Company withholding tax and source deduction remittance obligations in respect of the exercise of the Options and issuance of Shares.

14. Net Exercise

Subject to prior approval by the Board, a Participant may elect to surrender for cancellation to the Company any vested Options being exercised and the Company will issue to the Participant, as consideration for the surrender of such Options, that number of Shares (rounded down to the nearest whole Share) on a net issuance basis in accordance with the following formula below:

$$X = \frac{Y(A - B)}{A}$$

where:

- X = The number of Shares to be issued to the Participant in consideration for the net exercise of the Options under this Section 14;
- Y = The number of vested Options with respect to the vested portion of the Option to be surrendered for cancellation;
- A = The volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities trade for the five trading days immediately preceding the exercise of the subject Option; and
- B = The Exercise Price for such Options.

Persons employed to provide investor relation activities shall not use the Net Exercise provisions as defined in this Section 14 to exercise Options. In the event of a Net Exercise, the number of Options exercised, surrendered, or converted, and not the number of Shares actually issued by the Company, must be included in calculating the limits set forth in Sections 5 and 9 of the Plan.

15. Ceasing To Be a Director, Officer, Consultant or Employee

- (a) If a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than for cause or by reason of death), such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within ninety (90) days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within thirty (30) days after the cessation of the Participant's services to the Company, subject to extension at the discretion of the Board up to a maximum of 12 months, which shall be subject to policies of the Exchange.
- (b) If a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee for cause, any granted but unexercised Options shall terminate and become null and void immediately.

- (c) Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Company or of any of its subsidiaries or affiliates, if any.

16. Death of Participant

Notwithstanding Section 12, in the event of the death of a Participant, the Option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

17. Rights of Participant

No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a shareholder of the Company in respect of any Shares issuable upon exercise of such Option until certificates representing such Shares shall have been issued and delivered.

18. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of Options shall be added to the general funds of the Company and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

19. Adjustments

If the outstanding common shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another company or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of Options, or the Exercise Price per share as set forth in the respective Option Agreement, shall be adjusted by the Board, in its sole and absolute discretion, under this Section, provided that a Participant shall be thereafter entitled to receive the amount of securities or property (including cash) to which such Participant would have been entitled to receive as a result of such reorganization if, on the effective date thereof, he had been the holder of the number of Shares to which he was entitled upon exercise of his Option(s).

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

Any adjustment, other than in connection with a consolidation or split, to Security Based Compensation granted or issued under a Security Based Compensation Plan of the Company is subject to prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

20. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and Options may only be exercised by the Participant.

21. Withholding Taxes

The Company shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Participant to the Company, of any taxes or other required source deductions which the Company is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance

of Shares. Without limiting the generality of the foregoing, the Company may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to a Participant;
- (b) require, as a condition of the issuance of Shares to a Participant that the Participant make a cash payment to the Company equal to the amount, in the Company's opinion, required to be withheld and remitted by the Company for the account of the Participant to the appropriate governmental authority and the Company, in its discretion, may withhold the issuance or delivery of Shares until the Participant makes such payment; or
- (c) sell, on behalf of the Participant, all or any portion of Shares otherwise deliverable to the Participant until the net proceeds of sale equal or exceed the amount which, in the Company's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Participant.

22. Amendment and Termination of Plan

The Board may terminate or discontinue the Plan at any time without the consent of the Participants provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Plan.

The Board may not amend this Plan or issuances of Options without prior Exchange acceptance and shareholder approval where applicable. For greater certainty, without limitation, amendments to any of the following provisions of the Plan will be subject to shareholder approval:

- (a) persons eligible to be granted or issued Options under the Plan;
- (b) the maximum number or percentage, as the case may be, of listed shares that may be issuable under the Plan;
- (c) the limits under the Plan on the amount of Options that may be granted or issued to any one person or any category of persons (such as, for example, Insiders);
- (d) the method for determining the Exercise Price of the Options;
- (e) the maximum term of the Options;
- (f) the expiry and termination provisions applicable to the Options, including the addition of a blackout period;
- (g) the addition of a Net Exercise provision; and
- (h) 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 limited to the formula for calculating the appreciation of a Stock Appreciation Right (as defined in the policies of the Exchange).

Notwithstanding the foregoing, the following types of amendments to the Plan are not subject to shareholder approval:

- (a) amendments to fix typographical errors; or
- (b) amendments to clarify existing provisions of the Plan which does not have the effect of altering the scope, nature and intent of such provisions.

Disinterested shareholder approval must be obtained for any reduction in the Exercise Price of an Option, or the extension of the term of an Option, if the Participant is an Insider of the Company at the time of the proposed amendment.

23. Necessary Approvals

The ability of a Participant to exercise Options and the obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Company and any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Shares shall terminate and any option Exercise

Price paid to the Company will be returned to the Participant.

24. Effective Date of Plan

The Plan has been adopted by the Board of the Company subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

25. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Words in the singular shall include the plural and words in one gender shall include all genders. All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Company and the Participants and their respective legal personal representatives and on all directors, officers and employees eligible under the provisions of the Plan to participate therein.