



www.sunpeakmetals.com

Unit 1 – 15782 Marine Drive,
White Rock, British Columbia, V4B 1E6 Canada

**MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD**

JUNE 10, 2022

Containing information as at: May 6, 2022

NOTICE TO SHAREHOLDERS:

The ongoing impact of the novel coronavirus (“**COVID-19**”) pandemic and the uncertainty surrounding current and anticipated public health guidelines and restrictions respecting large group gatherings make it unclear as to whether it will be safe or permissible for the Meeting to be held in person this year. Therefore, to mitigate risks to the health and safety of the shareholders, employees and representatives of the Company and the communities in which we live, we will hold the Meeting in a virtual only format. This format also affords all of our shareholders an even greater ability to participate in the Meeting equally, regardless of their geographic location and share ownership. Although, as required pursuant to the Business Corporations Act (British Columbia), the physical location of the Meeting has been designated as the Company’s head office located at Unit 1 – 15782 Marine Drive, White Rock, BC V4B 1E6, the Meeting will be by teleconference due to public health guidelines and restrictions related to COVID-19. In particular, on April 21, 2020, the Minister of Public Safety and Solicitor General for the Province of British Columbia passed Ministerial Order M116 (the “**Order**”) under the Emergency Program Act. The Order permits British Columbia organizations to facilitate and hold electronic meetings for as long as public health orders enacted in response to the COVID-19 pandemic are in place. The Order specifically overrides the provisions of the Business Corporations Act (British Columbia) and any articles, bylaws, memoranda, rules or similar constating documents of an entity made thereunder, by deeming that attendance via telephone or electronic communication constitutes in-person presence at such meetings, and that any virtual meetings so held shall be deemed to have been held in British Columbia. Accordingly, you will not be able to attend the Meeting in person. If circumstances permit, the Company intends to return to a physical or hybrid meeting format (physical/virtual) for its 2023 annual meeting of shareholders.

The Company urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and to listen to the Meeting through the live conference call details provided below:

Toll-free dial-in number (U.S. and Canada): 1-888-850-4523
International dial-in number: 1-719-234-7800
Conference code: 841798

SOLICITATION OF PROXIES

This Management Information Circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Sun Peak Metals Corp. (the “**Company**” or “**Sun Peak**”) for

use at the Annual General and Special Meeting (the “**Meeting**”) of the Company’s shareholders (the “**Shareholders**”) (and any adjournment(s) or postponement(s) thereof) to be held on June 10, 2022, at the hour of 9:00 a.m. (PDT), in the Company’s office located at Unit 1 – 15782 Marine Drive, White Rock, British Columbia.

While it is expected that the solicitation will be made primarily by mail, proxies may be solicited in person or by telephone by directors, officers and employees of the Company. All costs of this solicitation will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

References to dollars (\$) in this Information Circular shall mean Canadian dollars unless otherwise indicated.

PART 1 – VOTING

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy (the “**Proxy**”) are Doris Meyer, Director and Corporate Secretary of the Company and Dan O’Brien, Chief Financial Officer of the Company. **A SHAREHOLDER OF THE COMPANY WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.**

A vote cast in accordance with the terms of a proxy will be valid notwithstanding the previous death, incapacity or bankruptcy of the Shareholder or intermediary on whose behalf the proxy was given or the revocation of the appointment, unless written notice of such death, incapacity, bankruptcy or revocation is received by the chairman of the Meeting at any time before the vote is cast.

REVOCAION OF PROXY

A Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Company’s Registered Office at Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6 (facsimile: +1 (604) 536-2788) at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. A Proxy may also be revoked in any other manner permitted by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Only registered Shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.

VALIDITY OF PROXY

A Proxy will not be valid unless it is signed by the Shareholder or intermediary or by the Shareholder’s or intermediary’s agent duly authorized in writing or, if the Shareholder or intermediary is a corporation, under its corporate seal and signed by an officer of the Shareholder or intermediary. The instrument empowering the agent, or a notarial copy thereof, should accompany the Proxy. The Proxy, if not dated, is deemed to be dated on the date mailed by the person making the solicitation.

JOINT HOLDERS

A Proxy given on behalf of joint holders must be executed by all of them and may be revoked only by all of them.

If more than one of several joint holders is present at the Meeting and they do not agree as to which of them is to exercise any vote to which they are jointly entitled, they will for the purpose of voting, be deemed not to be present.

DEPOSIT OF PROXY

A Proxy will not be valid unless it is completed, dated and signed and delivered by hand or mail to Computershare Investor Services Inc. at Proxy Dept., 100 University Avenue 8th Floor, Toronto, Ontario M5J 2Y1, or by fax to: (within North America) +1 (866) 249-7775 (outside North America) +1 (416) 263-9524, not less than 48 hours (excluding Saturdays and holidays) prior to the Meeting or to the Chair of the Meeting prior to the commencement of the Meeting. Proxies delivered after that time will not be accepted.

NON-REGISTERED HOLDERS OF SHARES

Only registered Shareholders of record as of the Meeting Record Date (as hereinafter defined) or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are “non-registered” Shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered Shareholder in respect of shares which are held on behalf of such person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and directors or administrators of self-administered RRSP’s, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 (“**NI 54-101**”) of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials, or where there is a special meeting involving abridged timing under NI 54-101, will either:

- (a) be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder, but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the Proxy and **deliver it to Computershare Investor Services Inc.** as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the proxy authorization form will consist of a regular printed Proxy accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In

order for the Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the Proxy, properly complete and sign the Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, this procedure permits Non-Registered Holders to direct the voting of the shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

The Meeting Materials are not being sent to registered or beneficial owners using the Notice and Access procedures contained in NI 54-101. The Company is sending the Meeting Materials directly to non-objecting beneficial holders (as defined in NI 54-101). The Company will not pay for intermediaries to deliver the Meeting Materials to objecting beneficial holders (as defined in NI 54-101) and objecting beneficial holders will not receive the Meeting Materials unless their intermediary assumes the cost of delivery.

VOTING OF SHARES REPRESENTED BY PROXY AND EXERCISE OF DISCRETION

Voting at the Meeting will be by a show of hands, each Shareholder having one vote, unless a ballot or poll is requested or required in accordance with the Company's By-Laws or the *Business Corporations Act* (British Columbia), in which case each Shareholder is entitled to one vote for each share held. **The Shares represented by a Proxy will be voted on any ballot or poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Shares represented thereby will, on a ballot or poll, be voted or withheld from voting in accordance with the specifications so made. Where no choice has been specified by the Shareholder, such Shares will be voted in favour of the motions proposed to be made at the Meeting as described in this Information Circular.**

A proxy in the enclosed form, when properly completed and delivered and not revoked, confers discretionary authority on the persons named proxyholders therein to vote on any amendments or variations of matters identified in the Notice of Meeting and on any other matters which may properly come before the Meeting. As of the date of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

HOW A VOTE IS PASSED

Any other matter that may be put forth at the Meeting which does not require approval by a special resolution will require a simple majority of greater than 50% of the votes cast by shareholders who vote, in person or by proxy on the ordinary resolution, at the Meeting.

PART 2 – VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized voting share capital of Sun Peak consists of an unlimited number of common shares. Each holder of common shares (the "**Shares**") is entitled to one vote for each Share registered in his or her name at the close of business on May 6, 2022, the date fixed by our directors as the record date (the "**Meeting Record Date**") for determining who is entitled to receive notice of and to vote at the Meeting.

At the close of business on May 6, 2022, there were 87,098,634 Shares outstanding. To the best knowledge of the directors and senior officers of the Company, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.

PART 3 – BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS

The audited financial statements and management discussion and analysis of Sun Peak for the fiscal years ended December 31, 2020 and December 31, 2021, will be placed before you at the Meeting. These financial statements may be requested by completing the enclosed Financial Statement Request Form that accompanies this Information Circular, or they may be viewed on www.sedar.com or on the Company's website www.sunpeakmetals.com.

2. ELECTION OF DIRECTORS

The board of directors of the Company (the “**Board**” or “**Board of Directors**”) presently consists of five directors and it is intended to determine the number of directors at five for the ensuing year.

Directors of Sun Peak are elected for a term of one-year and the term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time. The persons named below will be presented for election at the Meeting as management's nominees, and unless otherwise instructed, the persons named in the accompanying form of proxy intend to vote for the election of each of these nominees. You can vote for all of the nominees, vote for some of the nominees and withhold for others, or withhold for all of the nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

At the Meeting, the Shareholders will be asked to vote on a resolution to elect as directors the nominees set out in the table below. **In the absence of contrary instructions, the persons named in the accompanying form of Proxy intend to vote the Shares represented thereby in favour of election to the Board of the nominees set out in the table below.**

The following table and notes thereto set out the names of each person proposed to be nominated by management for election as a director, the province in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation or employment during the past five years if such nominee is not presently an elected director, the period of time for which he or she has been a director of the Company, and the number of Shares of the Company beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the date hereof. As of the date hereof, no additional director nominations for the Meeting have been received by the Company in compliance with the Company's Advance Notice Policy adopted by the shareholders on March 12, 2021.

Name, Province or State and Country of Residence ⁽¹⁾	Position(s) with Company	Principal Occupation and if not present and elected director, occupation during last five-years ⁽¹⁾	Date Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽²⁾
David Awram ⁽³⁾ <i>British Columbia, Canada</i>	Chairman and Director	Director and Senior Executive Vice President of Sandstorm Gold Ltd.	November 2, 2017	2,091,667 (2.40%) ⁽⁶⁾
Greg Davis <i>British Columbia, Canada</i>	Director, President and Chief Executive Officer	President and Chief Executive Officer of the Company.	August 23, 2016	5,679,167 (6.52%) ⁽⁶⁾

Name, Province or State and Country of Residence ⁽¹⁾	Position(s) with Company	Principal Occupation and if not present and elected director, occupation during last five-years ⁽¹⁾	Date Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽²⁾
Doris Meyer <i>British Columbia, Canada</i>	Director and Corporate Secretary	Founder and Director of Golden Oak Corporate Services Ltd., a private consulting company.	August 23, 2016	762,262 ⁽⁴⁾ (0.88%) ⁽⁶⁾
Stephen de Jong ⁽³⁾ <i>British Columbia, Canada</i>	Director	Chairman of Integra Resources Corp., President and CEO of VRIFY Technology Inc., President and CEO of Integra Gold Corp.	January 21, 2019	300,000 ⁽⁵⁾ (0.34%) ⁽⁶⁾
Hayley Thomassen <i>(Formerly: De Witt) ⁽³⁾</i> <i>London, United Kingdom</i>	Director	Founder of Pathway Ventures UK Ltd. a private venture capital / consultancy company.	January 24, 2020	976,000 (1.12%) ⁽⁶⁾

Notes:

- (1) The information as to province or state and country of residence and principal occupation is not within the knowledge of the management of the Company and has been furnished by the respective directors individually.
- (2) The information as to the number of Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective directors individually.
- (3) Member of the Company's Audit Committee, of which Mr. Awram is the Chair.
- (4) 66,667 shares are held by Golden Oak Corporate Services Ltd. of which Ms. Meyer is a director, 171,428 shares are held by GO2 Corporate Services Ltd., a company wholly owned by Doris Meyer and 524,167 are held personally.
- (5) 300,000 shares are held by 1136796 BC Ltd. of which Mr. de Jong is a director.
- (6) This figure represents a percentage of the total issued and outstanding common shares of the Company as at December 31, 2021, being 87,098,634 common shares at that date.

CEASE TRADE ORDERS AND BANKRUPTCY

No director or proposed director of Sun Peak is, as at the date of this Information Circular, or was within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Sun Peak), that:

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

No director or proposed director of Sun Peak, and no shareholder holding a sufficient number of securities of Sun Peak to affect materially the control of Sun Peak:

- (i) is, as at the date of this Information Circular, or has been within the ten (10) years before the date of this Information Circular, a director or executive officer of any company (including Sun Peak) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (ii) has, within ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or proposed director of Sun Peak, and no shareholder holding a sufficient number of securities of Sun Peak to affect materially the control of Sun Peak has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. APPOINTMENT AND REMUNERATION OF AUDITOR

Davidson and Company, LLP, Chartered Professional Accountants have served as Auditor of the Company since July 17, 2018 and approved by shareholders on December 20, 2019.

The Company's management recommends that shareholders vote FOR the appointment of Davidson and Company, LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor.

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Davidson and Company, LLP to act as our auditor until the close of our next annual general meeting and to authorize the Board of Directors to fix the remuneration to be paid to the auditor.

4. APPROVAL OF THE 2022 STOCK OPTION PLAN

At the Meeting, Shareholders will be asked to approve the adoption of a new 10% rolling incentive stock option plan (the "**2022 Option Plan**"). The 2022 Option Plan was approved by the Board on March 29, 2022, has been conditionally accepted by the TSX Venture Exchange (the "**Exchange**"). The 2022 Option Plan shall become effective upon the receipt of approval of the Shareholders and the final acceptance of the Exchange (the "**Effective Date**") and will replace the Company's current Stock Option Plan (the "**Option Plan**"). All of the 4,325,000 stock options (the "**Outstanding Options**") currently outstanding under the Option Plan will remain outstanding and in full force and effect in accordance with their terms after the Effective Date. However, following the Effective Date, no additional grants shall be made pursuant to the Option Plan, and the Option Plan will terminate on the date upon which no Outstanding Options remain outstanding.

The purpose of the 2022 Option Plan is to, among other things: (i) provide the Company with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries; (ii) reward directors, officers, employees and consultants that have been granted stock options (each, an "**Option**") under the 2022 Option Plan for their contributions toward the long-term goals

and success of the Company; and (iii) enable and encourage such directors, officers, employees and consultants to acquire Shares of the Company as long-term investments and proprietary interests in the Company. The approval of the 2022 Option Plan by the Board is subject to approval by the Shareholders and to the final acceptance of the Exchange.

A summary of certain provisions of the 2022 Option Plan is set out below, and a full copy of the 2022 Option Plan is attached hereto as Appendix "C". This summary is qualified in its entirety to the full copy of the 2022 Option Plan.

SUMMARY OF THE 2022 OPTION PLAN

ELIGIBILITY

The 2022 Option Plan allows the Company to grant Options to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries (collectively, the "**Option Plan Participants**").

NUMBER OF SHARES ISSUABLE

The aggregate number of Shares that may be issued to Option Plan Participants under the 2022 Option Plan will be that number of Shares equal to 10% of the issued and outstanding Shares on the particular date of grant of the Option, inclusive of the 4,325,000 Outstanding Options.

LIMITS ON PARTICIPATION

The 2022 Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the Exchange, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

- (i) the maximum number of Shares that may be issued to any one Option Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly owned by the Option Plan Participant) under the 2022 Option Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 5% of the issued Shares calculated on the date of grant;
- (ii) the maximum number of Shares that may be issued to insiders collectively under the 2022 Option Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 10% of the issued Shares calculated on the date of grant; and
- (iii) the maximum number of Shares that may be issued to insiders collectively under the 2022 Option Plan, together with any other security-based compensation arrangements, may not exceed 10% of the issued Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Options which may be granted within any twelve (12) month period to Option Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Shares, and such Options must vest in stages over twelve (12) months with no more than 25% vesting in any three (3) month period. In addition, the maximum number of Shares that may be granted to any one consultant under the 2022 Option Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 2% of the issued Shares calculated on the date of grant.

ADMINISTRATION

The plan administrator of the 2022 Option Plan (the “**Option Plan Administrator**”) will be the Board or a committee of the Board, if delegated. The Option Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Options under the 2022 Option Plan; determine conditions under which Options may be granted, vested or exercised, including the expiry date, exercise price and vesting schedule of the Options; establish the form of option certificate (“**Option Certificate**”); interpret the 2022 Option Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2022 Option Plan.

Subject to any required regulatory or shareholder approvals, the Option Plan Administrator may also, from time to time, without notice to or without approval of the Shareholders or the Option Plan Participants, amend, modify, change, suspend or terminate the Options granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the 2022 Option Plan or any Option granted pursuant thereto may materially impair any rights of an Option Plan Participant or materially increase any obligations of an Option Plan Participant under the 2022 Option Plan without the consent of such Option Plan Participant, unless the Option Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the 2022 Option Plan.

All of the Options are subject to the conditions, limitations, restrictions, vesting, exercise and forfeiture provisions determined by the Option Plan Administrator, in its sole discretion, subject to such limitations provided in the 2022 Option Plan and will be evidenced by an Option Certificate. In addition, subject to the limitations provided in the 2022 Option Plan and in accordance with applicable law, the Option Plan Administrator may accelerate the vesting of Options, cancel or modify outstanding Options and waive any condition imposed with respect to Options or Shares issued pursuant to Options.

EXERCISE OF OPTIONS

Options shall be exercisable as determined by the Option Plan Administrator at the time of grant, provided that no Option shall have a term exceeding ten (10) years so long as the Shares are listed on the Exchange.

Subject to all applicable regulatory rules, the vesting schedule for an Option, if any, shall be determined by the Option Plan Administrator. The Option Plan Administrator may elect, at any time, to accelerate the vesting schedule of an Option, and such acceleration will not be considered an amendment to such Option and will not require the consent of the Option Plan Participant in question. However, no acceleration to the vesting schedule of an Option granted to an Option Plan Participant performing investor relations services may be made without prior acceptance of the Exchange.

The exercise price of an Option shall be determined by the Option Plan Administrator and cannot be lower than the greater of: (i) the minimum price required by the Exchange; and (ii) the market value of the Shares on the applicable grant date.

An Option Plan Participant may exercise the Options in whole or in part through any one of the following forms of consideration, subject to applicable laws, prior to the expiry date of such Options, as determined by the Option Plan Administrator:

- the Option Plan Participant may send a wire transfer, certified cheque or bank draft payable to the Company in an amount equal to the aggregate exercise price of the Shares being purchased pursuant to the exercise of the Option;
- subject to approval from the Option Plan Administrator and the Shares being traded on the Exchange, a brokerage firm may be engaged to loan money to the Option Plan Participant in order for the Option Plan Participant to exercise the Options to acquire the Shares, subsequent to which the brokerage firm shall sell a sufficient number of Shares to cover the exercise price

of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of Shares from the exercise of the Options, and the Option Plan Participant shall receive the balance of the Shares or cash proceeds from the balance of such Shares; and

- subject to approval from the Option Plan Administrator and the Shares being traded on the Exchange, consideration may be paid by reducing the number of Shares otherwise issuable under the Options, in lieu of a cash payment to the Company, an Option Plan Participant, excluding those providing investor relations services, only receives the number of Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the Shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the Shares.

If an exercise date for an Option occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the 2022 Option Plan, the Option shall be exercised no more than ten business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

TERMINATION OF EMPLOYMENT OR SERVICES AND CHANGE IN CONTROL

The following describes the impact of certain events that may, unless otherwise determined by the Option Plan Administrator or as set forth in an Option Certificate, lead to the early expiry of Options granted under the 2022 Option Plan.

Termination by the Company for cause:	Forfeiture of all unvested Options. The Option Plan Administrator may determine that all vested Options shall be forfeited, failing which all vested Options shall be exercised in accordance with the 2022 Option Plan.
Voluntary resignation of an Option Plan Participant:	Forfeiture of all unvested Options. Exercise of vested Options in accordance with the 2022 Option Plan.
Termination by the Company other than for cause:	Acceleration of vesting of a portion of unvested Options in accordance with a prescribed formula as set out in the 2022 Option Plan. Forfeiture of the remaining unvested Options. Exercise of vested Options in accordance with the 2022 Option Plan.
Death or disability of an Option Plan Participant:	Acceleration of vesting of all unvested Options. Exercise of vested Options in accordance with the 2022 Option Plan.
Termination or voluntary resignation for good reason within twelve (12) months of a change in control:	Acceleration of vesting of all unvested Options. Exercise of vested Options in accordance with the 2022 Option Plan.

Any Options granted to an Option Plan Participant under the 2022 Option Plan shall terminate at a date no later than twelve (12) months from the date such Option Plan Participant ceases to be an Option Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Company, a material alteration of the capital structure of the Company and a disposition of all or substantially all of the Company's assets, the Option Plan Administrator may, without the consent of the Option Plan Participant, cause all or a portion of the Options granted to terminate upon the occurrence of such event.

AMENDMENT OR TERMINATION OF THE 2022 OPTION PLAN

Subject to any necessary regulatory approvals, the 2022 Option Plan may be suspended or terminated at any time by the Option Plan Administrator, provided that no such suspension or termination shall alter or impact any rights or obligations under an Option previously granted without the consent of the Option Plan Participant.

The following limitations apply to the 2022 Option Plan and all Options thereunder as long as such limitations are required by the Exchange:

- any adjustment to Options, other than in connection with a security consolidation or security split, is subject to prior Exchange acceptance;
- any amendment to the 2022 Option Plan is subject to prior Exchange acceptance, except for amendments to reduce the number of Shares issuable under the 2022 Option Plan, to increase the exercise price of Options or to cancel Options;
- any amendments made to the 2022 Option Plan shall require regulatory and Shareholder approval, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the 2022 Option Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- the exercise price of an Option previously granted to an insider must not be reduced, or the extension of the expiry date of an Option held by an insider may not be extended, unless the Company has obtained disinterested shareholder approval to do so in accordance with Exchange policies.

Subject to the foregoing limitations and any necessary regulatory approvals, the Option Plan Administrator may amend any existing Options or the 2022 Option Plan or the terms and conditions of any Option granted thereafter, although the Option Plan Administrator must obtain written consent of the Option Plan Participant (unless otherwise excepted out by a provision of the 2022 Option Plan) where such amendment would materially decrease the rights or benefits accruing to an Option Plan Participant or materially increase the obligations of an Option Plan Participant.

COMPANY 2022 OPTION PLAN RESOLUTION

At the Meeting, the Shareholders of the Company will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the 2022 Option Plan, which resolution requires approval of greater than 50% of the votes cast by the Shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

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

- (a) subject to final acceptance of the TSX Venture Exchange (the "**TSXV**"), the Company's new stock option plan (the "**2022 Option Plan**"), substantially in the form attached as Appendix "C" to the management information circular of Sun Peak Metals Corp. (the "**Company**") dated May 6, 2022, is hereby approved;

- (b) the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant stock options (each, an “**Option**”) pursuant to the 2022 Option Plan to those eligible to receive Options thereunder;
- (c) any one (1) director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (d) notwithstanding that this resolution be passed by the shareholders of the Company, the adoption of the proposed 2022 Option Plan is conditional upon receipt of final approval of the TSXV, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors.”

RECOMMENDATION OF THE BOARD

The Board has determined that the 2022 Option Plan is in the best interests of the Company and the Shareholders and unanimously recommends that the Shareholders vote in favour of approving the 2022 Option Plan. **In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the 2022 Option Plan or not to proceed with the 2022 Option Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and the Shareholders and to do so in light of any subsequent event or development occurring after the date of the Information Circular.

5. APPROVAL OF EQUITY INCENTIVE PLAN

At the Meeting, Shareholders will be asked to approve a resolution approving the Company’s equity incentive plan (the “**Equity Incentive Plan**”). The Equity Incentive Plan was approved by the Board on March 29, 2022, has been conditionally accepted by the Exchange. Currently, the sole security-based compensation plan of the Company is its existing stock option plan, pursuant to which the Board may grant stock options to directors, officers, employees of and consultants to the Company and its subsidiaries. The Board has determined that it is in the best interests of the Company to adopt a security-based compensation plan which would provide the Company with the ability and flexibility to make broader and different forms of equity rewards as part of its need to retain a competitive compensation structure for its directors, officers, employees and consultants. The purpose of the Equity Incentive Plan is to, among other things: (i) provide the Company with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries; (ii) reward directors, officers, employees and consultants that have been granted Awards (as defined below) under the Equity Incentive Plan for their contributions toward the long-term goals and success of the Company; and (iii) enable and encourage such directors, officers, employees and consultants to acquire Shares of the Company as long-term investments and proprietary interests in the Company. The approval of the Equity Incentive Plan by the Board is subject to approval of the Shareholders and to the final acceptance of the Exchange.

A summary of certain provisions of the Equity Incentive Plan is set out below, and a full copy of the Equity Incentive Plan is attached hereto as Appendix “D”. This summary is qualified in its entirety to the full copy of the Equity Incentive Plan.

SUMMARY OF EQUITY INCENTIVE PLAN

ELIGIBILITY

The Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”) (collectively, the “**Awards**”) to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries, excluding any persons who perform investor relations activities on behalf of the Company or any of its subsidiaries (collectively, the “**Equity Incentive Plan Participants**”).

NUMBER OF SHARES ISSUABLE

The aggregate number of common shares in the capital of the Company (each, a “**Share**”) that may be issued to Equity Incentive Plan Participants under the Equity Incentive Plan may not exceed 8,709,863, subject to adjustment as provided for in the Equity Incentive Plan.

LIMITS ON PARTICIPATION

The Equity Incentive Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the Exchange, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

- (i) the maximum number of Shares that may be issued to any one Equity Incentive Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly owned by the Equity Incentive Plan Participant) under the Equity Incentive Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 5% of the issued Shares calculated on the date of grant;
- (ii) the maximum number of Shares that may be issued to insiders collectively under the Equity Incentive Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 10% of the issued Shares calculated on the date of grant; and
- (iii) the maximum number of Shares that may be issued to insiders collectively under the Equity Incentive Plan, together with any other security-based compensation arrangements, may not exceed 10% of the issued Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Shares that may be granted to any one consultant under the Equity Incentive Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 2% of the issued Shares calculated on the date of grant.

ADMINISTRATION

The plan administrator of the Equity Incentive Plan (the “**Equity Incentive Plan Administrator**”) will be the Board or a committee of the Board, if delegated. The Equity Incentive Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Awards under the Equity Incentive Plan; determine any vesting provisions or other restrictions on Awards; determine conditions under which Awards may be granted, vested or settled, including establishing performance goals; establish the form of Award agreement (“**Award Agreement**”); interpret the Equity Incentive Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Subject to any required regulatory or shareholder approvals, the Equity Incentive Plan Administrator may also, from time to time, without notice to or without approval of the Shareholders or the Equity Incentive Plan Participants, amend, modify, change, suspend or terminate the Awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any Award granted pursuant thereto may materially impair any rights of an Equity Incentive Plan Participant or materially increase any obligations of an Equity Incentive Plan Participant under the Equity Incentive Plan without the consent of such Equity Incentive Plan Participant, unless the Equity Incentive Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the Equity Incentive Plan.

All of the Awards are subject to the conditions, limitations, restrictions, vesting, settlement and forfeiture provisions determined by the Equity Incentive Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan and will be evidenced by an Award Agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Equity Incentive Plan Administrator may accelerate the vesting or payment of Awards, cancel or modify outstanding Awards and waive any condition imposed with respect to Awards or Shares issued pursuant to Awards.

Subject to the terms and conditions of the Equity Incentive Plan, the Plan Administrator, may, in its discretion, credit outstanding Share Units and DSUs with dividend equivalents in the form of additional Share Units and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Dividend equivalents credited to an Equity Incentive Plan Participant's accounts shall vest in proportion to the Share Units and DSUs to which they relate, and shall be settled in accordance with terms of the Plan. Where the issuance of Shares pursuant to the settlement of dividend equivalents will result in the Company having insufficient Shares available for issuance or would result in the Company breaching its limits on grants of Awards, as set out above, the Company shall settle such dividend equivalents in cash.

SETTLEMENT OF VESTED SHARE UNITS

The Equity Incentive Plan provides for the grant of restricted share units (each, a **"RSU"**). A RSU is a unit equivalent in value to a Share which entitles the holder to receive one Share, or cash, or a combination thereof for each vested RSU. RSUs shall, unless otherwise determined by the Equity Incentive Plan Administrator, and as specifically set out in the Award Agreement, vest, if at all, following a period of continuous employment of the Equity Incentive Plan Participant with the Company or a subsidiary of the Company.

The Equity Incentive Plan also provides for the grant of performance share units (each, a **"PSU"**, together with RSUs, the **"Share Units"**), which entitles the holder to receive one Share, or cash, or a combination thereof, for each vested PSU. PSUs shall, unless otherwise determined by the Equity Incentive Plan Administrator, and as specifically set out in the Award Agreement, vest, if at all, subject to the attainment of certain performance goals and satisfaction of such other conditions to vesting, if any, as many be determined by the Equity Incentive Plan Administrator.

Except where an Equity Incentive Plan Participant dies or ceases to be an Equity Incentive Plan Participant due to a change in control of the Company, no Share Unit shall vest prior to the first anniversary of its date of grant. Upon settlement of the Share Units, which shall be within sixty (60) days of the date that the applicable vesting criteria are met, deemed to have been met or waived, and in any event no later than three years following the end of the year in respect of which the Share Units are granted, holders of the Share Units will receive any, or a combination of, the following (as determined solely at the discretion of the Equity Incentive Plan Administrator):

- (i) one fully paid and non-assessable Share issued from treasury in respect of each vested Share Unit; or

- (ii) a cash payment, which shall be determined by multiplying the number of Share Units redeemed for cash by the market value of a Share (calculated with reference to the five (5) day volume weighted average trading price, and subject to a minimum price as set out in the Equity Incentive Plan) (the “**Market Price**”) on the date of settlement.

The Company reserves the right to change its allocation of Shares and/or cash payment in respect of a Share Unit settlement at any time up until payment is actually made. If a settlement date for an Share Unit occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Equity Incentive Plan, the Share Unit shall be settled no more than ten (10) business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

SETTLEMENT OF VESTED DSUS

The Equity Incentive Plan also provides for the grant of deferred share units (each, a “**DSU**”). A DSU is a unit equivalent in value to a Share which entitles the holder to receive one Share, or cash, or a combination thereof, for each vested DSU on a future date following the Equity Incentive Plan Participant’s separation of services from the Company or its subsidiaries. Except where an Equity Incentive Plan Participant dies or ceases to be an Equity Incentive Plan Participant due to a change in control of the Company and as set out below, no DSU shall vest prior to the first anniversary of its date of grant. Upon settlement of the DSUs, which shall be no earlier than the date of the Equity Incentive Plan Participant’s termination of services to the Company or its subsidiaries and no later than one (1) year after such date, holders of DSUs will receive any or a combination of the following (as determined solely at the discretion of the Equity Incentive Plan Administrator):

- (i) one (1) fully paid and non-assessable Share issued from treasury in respect of each vested DSU; or
- (ii) a cash payment, determined by multiplying the number of DSUs redeemed for cash by the Market Price of a Share on the date of settlement.

In addition to grants made by the Equity Incentive Plan Administrator to all Equity Incentive Plan Participants, directors of the Company may elect, subject to acceptance by the Company, in whole or in part, of such election, to receive any portion of their director’s fees to be payable in DSUs.

The Company reserves the right to change its allocation of Shares and/or cash payment in respect of a DSU settlement at any time up until payment is actually made. If a settlement date for a DSU occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Equity Incentive Plan, the DSU shall be settled no more than ten (10) business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

TERMINATION OF EMPLOYMENT OR SERVICES AND CHANGE IN CONTROL

The following describes the impact of certain events that may, unless otherwise determined by the Equity Incentive Plan Administrator or as set forth in an Award Agreement, lead to the early expiry of Awards granted under the Equity Incentive Plan.

Termination by the Company for cause:	Forfeiture of all unvested Awards. The Plan Administrator may determine that all vested Awards shall be forfeited, failing which all vested Awards shall be settled in accordance with the Equity Incentive Plan.
Voluntary resignation of an Equity Incentive Plan Participant:	Forfeiture of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Termination by the Company other than for cause:	Acceleration of vesting of a portion of unvested Awards in accordance with a prescribed formula as set out in the Equity Incentive Plan. Forfeiture of the remaining unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Death or disability of an Equity Incentive Plan Participant:	Acceleration of vesting of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.
Termination or voluntary resignation for good reason within twelve (12) months of a change in control:	Acceleration of vesting of all unvested Awards. Settlement of all vested Awards in accordance with the Equity Incentive Plan.

Any Awards granted to an Equity Incentive Plan Participant under the Equity Incentive Plan shall terminate at a date no later than twelve (12) months from the date such Equity Incentive Plan Participant ceases to be an Equity Incentive Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Company, a material alteration of the capital structure of the Company and a disposition of substantially all of the Company's assets, the Plan Administrator may, without the consent of the Equity Incentive Plan Participant, cause all or a portion of the Awards granted to terminate upon the occurrence of such event, subject to any necessary approvals.

AMENDMENT OR TERMINATION OF THE EQUITY INCENTIVE PLAN

Subject to the approval of the Exchange, where required, the Equity Plan Administrator may from time to time, without notice to or approval of the Equity Incentive Plan Participants or Shareholders, terminate the Equity Incentive Plan. Amendments made to the Equity Incentive Plan shall require regulatory and Shareholder approval, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the Equity Incentive Plan and which do not have the effect of altering the scope, nature and intent of such provisions.

COMPANY EQUITY INCENTIVE PLAN RESOLUTION

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

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

- (a) subject to final acceptance of the TSXV, the Company’s Equity Incentive Plan (the “**Equity Incentive Plan**”), substantially in the form attached as Appendix “D” to the management information circular of the Company dated May 6, 2022, is hereby approved;
- (b) the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”) pursuant to the Equity Incentive Plan to those eligible to receive RSUs, PSUs and DSUs thereunder;
- (c) any one (1) director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (d) notwithstanding that this resolution be passed by the shareholders of the Company, the adoption of the proposed Equity Incentive Plan is conditional upon receipt of final approval of the TSXV, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors.”

RECOMMENDATION OF THE BOARD

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

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

PART 4 – EXECUTIVE COMPENSATION

The following information of the Company is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation* (“**Form 51- 102F6V**”).

Information contained in this Statement of Executive Compensation is at December 31, 2021, unless otherwise indicated and all dollar amounts referenced herein are in Canadian Dollars, unless otherwise specified.

COMPENSATION OF NAMED EXECUTIVE OFFICERS

The named executive officers (“**NEOs**”) and directors for the financial year ended December 31, 2021, were Greg Davis, Director, President and Chief Executive Officer, Dan O’Brien, Chief Financial Officer, Scott Ansell, Vice President Project Development, David Daoud, Vice President Exploration and Geology, David

Awram, Chairman and Director, Doris Meyer, Corporate Secretary and Director, Stephen de Jong, Director and Hayley Thomasen, Director.

Particulars of compensation, excluding options and compensation securities, paid to each NEO and director in the two most recently completed financial years is set out in the table below:

Table of Compensation Excluding Compensation Securities								
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Pension value (\$)	Value of all other compensation (\$)	Total compensation (\$)
Greg Davis <i>Director, President and Chief Executive Officer</i>	2021	183,333	Nil	Nil	N/A	N/A	Nil	183,333
	2020	147,500	Nil	Nil	N/A	N/A	Nil	147,500
Golden Oak Corporate Services Ltd. ⁽²⁾ <i>Chief Financial Officer and Corporate Secretary</i>	2021	120,000	Nil	Nil	N/A	N/A	Nil	120,000
	2020	116,000	Nil	Nil	N/A	N/A	Nil	116,000
Scott Ansell <i>Vice President Project Development</i>	2021	183,333	Nil	Nil	N/A	N/A	Nil	183,333
	2020	147,500	Nil	Nil	N/A	N/A	Nil	147,500
David Daoud <i>Vice President Exploration and Geology</i>	2021	183,333	Nil	Nil	N/A	N/A	Nil	183,333
	2020	147,500	Nil	Nil	N/A	N/A	Nil	147,500
David Awram <i>Chairman and Director</i>	2021	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2020	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Stephen de Jong <i>Director</i>	2021	Nil	Nil	Nil	N/A	N/A	Nil	Nil
	2020	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Hayley Thomasen <i>Director</i>	2021	Nil	Nil	Nil	N/A	Nil	Nil	Nil
	2020	Nil	Nil	Nil	N/A	Nil	Nil	Nil

Notes:

(1) Financial year ended December 31.

(2) Consulting fees were paid to Golden Oak Corporate Services Ltd ("**Golden Oak**") for the services of Dan O'Brien, CFO, and Doris Meyer, Corporate Secretary, pursuant to the Golden Oak Agreement. Golden Oak pays the salaries of Dan O'Brien and Doris Meyer. See "Employment, Consulting and Management Agreements."

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

Compensation securities granted or issued to each NEO and director in the most recent financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries is set out in the table below:

Table of Stock Options and Other Compensation Securities								
Name and position	Type of compensation security ⁽¹⁾	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 on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Greg Davis	Stock Options	750,000 ⁽³⁾ 0.86% ⁽⁴⁾	Jan 24, 2020	\$0.35	N/A ⁽⁵⁾	N/A ⁽⁵⁾	\$0.235	Aug 17, 2025 ⁽⁵⁾
Golden Oak Corporate Services Ltd. ⁽²⁾	Stock Options	450,000 ⁽³⁾ 0.52% ⁽⁴⁾	Jan 24, 2020	\$0.35	N/A ⁽⁵⁾	N/A ⁽⁵⁾	\$0.235	Aug 17, 2025 ⁽⁵⁾
Scott Ansell	Stock Options	450,000 ⁽³⁾ 0.52% ⁽⁴⁾	Jan 24, 2020	\$0.35	N/A ⁽⁵⁾	N/A ⁽⁵⁾	\$0.235	Aug 17, 2025 ⁽⁵⁾
David Daoud	Stock Options	450,000 ⁽³⁾ 0.52% ⁽⁴⁾	Jan 24, 2020	\$0.35	N/A ⁽⁵⁾	N/A ⁽⁵⁾	\$0.235	Aug 17, 2025 ⁽⁵⁾
David Awram	Stock Options	450,000 ⁽³⁾ 0.52% ⁽⁴⁾	Jan 24, 2020	\$0.35	N/A ⁽⁵⁾	N/A ⁽⁵⁾	\$0.235	Aug 17, 2025 ⁽⁵⁾
Stephen de Jong	Stock Options	450,000 ⁽³⁾ 0.52% ⁽⁴⁾	Jan 24, 2020	\$0.35	N/A ⁽⁵⁾	N/A ⁽⁵⁾	\$0.235	Aug 17, 2025 ⁽⁵⁾
Hayley Thomasen	Stock Options	450,000 ⁽³⁾ 0.52% ⁽⁴⁾	Jan 24, 2020	\$0.35	N/A ⁽⁵⁾	N/A ⁽⁵⁾	\$0.235	Aug 17, 2025 ⁽⁵⁾

Notes:

- (1) These are the only Stock Options held by the NEOs and directors.
- (2) Golden Oak pays the salaries of Dan O'Brien and Doris Meyer, they do not directly receive any additional compensation from the Company.
- (3) Each stock option entitles the holder to purchase one common share of the Company, each stock option fully vests upon grant.
- (4) This figure represents the number of underlying common shares issuable upon exercise of the stock option as a percentage of the total issued and outstanding common shares of the Company as at December 31, 2021, being 87,098,634 common shares at that date.
- (5) The stock options granted January 24, 2020, were priced at the \$0.35 issue price of the private placement closed on January 19, 2019, for a term of five years from the listing date of the Company's common shares on the TSX Venture Exchange on August 17, 2020.

No compensation security has been re-priced, cancelled or replaced, had its term extended, or otherwise been materially modified, in the financial year ended December 31, 2021.

No compensation securities were granted or issued to any NEO or director by the Company or one of its subsidiaries in the financial year ended December 31, 2021, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

No NEO or director exercised any compensation securities during the financial year ended December 31, 2021.

COMPENSATION DISCUSSION AND ANALYSIS

Sun Peak does not have a compensation committee or a formal compensation policy. Sun Peak relies solely on the directors to determine the compensation of the NEOs. In determining compensation, the directors consider industry standards and Sun Peak' financial situation but does not currently have any formal objectives or criteria. The performance of each executive officer is informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

SECURITY COMPENSATION PLAN AWARDS

In considering new security compensation awards to directors and executive officers, the Board will consider the number of awards, if any, previously granted to each director and executive officer.

PENSION PLAN BENEFITS

The Company does not anticipate having any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

As of the date hereof the Company has an employment contract, with each of Greg Davis, Scott Ansell and David Daoud (the "**Executives**") that sets out their compensation and provides for payments to the Executives at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, pursuant to a change in control of the Company in the amount of one year's salary in effect at the time.

The employment contracts for each Executive commenced February 1, 2020, and indefinite terms with amendments to annual compensation on May 1, 2021. Each Executive is paid \$200,000 per annum. On May 1, 2022, each Executive voluntarily reduced their salary to \$150,000 per annum.

On August 23, 2016, as amended on February 1, 2020, the Company entered into a consulting agreement ("**Golden Oak Agreement**") with Golden Oak, a company in which Dan O'Brien and Doris Meyer control. Golden Oak provides their services as the Chief Financial Officer and Corporate Secretary of the Company and the provision as an independent contractor by Golden Oak to the Company of accounting, financial, corporate and regulatory compliance services in consideration of an annual service fee plus applicable taxes and reimbursement of reasonable office costs and expenses. The Golden Oak Agreement is for an indefinite term, unless terminated in accordance with its terms with an annual fee (the "**Annual Fee**") of \$120,000. The Golden Oak Agreement provides for payments at, following, or in connection with termination within one year following a change in control of the Company in the amount of the Annual Fee in effect. Doris Meyer and Dan O'Brien are paid by Golden Oak and the Company does not pay them any additional payments.

DIRECTOR COMPENSATION

As of the date hereof, no cash compensation has been paid to directors with the exception of certain stock option grants to each of the directors on January 24, 2020. The Company does not expect to pay cash compensation to the directors in the next twelve (12) months.

Sun Peak contemplates that each independent director, if any, will continue to be entitled to participate in any security-based compensation arrangement or other plan adopted by Sun Peak with the approval of the Board and/or Sun Peak's shareholders, as may be required by applicable law or Exchange policies.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Sun Peak carries directors' and officers' liability insurance for all its directors and officers.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

OVERSIGHT OF EXECUTIVE COMPENSATION PROGRAM

The Board of Directors is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other senior executives of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Board considers the following issues: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

In order to achieve these objectives, the compensation paid to the Company's executive officers consists of a base salary and short-term and long-term incentives in the form of security based compensation.

BASE SALARY

The base salary currently paid to our named executive officers is commensurate with the nature of our business and their individual experience, duties and scope of responsibilities. In the future, we intend to pay competitive base salaries required to recruit and retain executives of the quality that we must employ to ensure our success.

In making determinations of salary levels for the named executive officers, the Board of Directors is likely to consider the entire compensation package for named executive officers, including the equity compensation provided under the Option Plan. Sun Peak intends for salary levels to be consistent with competitive practices of comparable institutions and each executive's level of responsibility. The Board of Directors is likely to determine the level of any salary (or salary increase) after reviewing the qualifications, experience, and performance of the particular executive officer and the nature of our business, the complexity of its activities, and the importance of the executive's contribution to the success of the business through discussion only, with no formal objectives (performance or otherwise) or criteria.

The Board of Directors may also take into consideration salaries paid to others in similar positions in the Company's industry based on the experience of the Board of Directors and review of publicly available information. The discussion of the information and factors considered and given weight by the Board of Directors is not intended to be exhaustive, but it is believed to include all material factors considered by the Board of Directors. In reaching the determination to approve and recommend the current base salaries of Sun Peak's named executive officers, the Board of Directors did not assign any relative or specific weight to the factors which were considered, and the members may have given a different weight to each factor.

The Board of Directors will review and adjust the base salaries of our executive officers when deemed appropriate.

We intend to pay competitive base salaries required to recruit and retain executives of the quality that we must employ to ensure our success.

SECURITY BASED COMPENSATION AWARDS

Executive officers of the Company, as well as directors, employees and consultants (together the “**Participants**”), are eligible to participate in the Company’s security based compensation plans (as previously defined and described herein) which are an important part of the Company’s incentive strategy permitting executive officers to share in any appreciation of the market value of the Company’s shares over a stated period of time, and it is intended to reinforce commitment to long-term growth and shareholder value. Security based compensation awards, reward overall corporate performance, as measured through the price of the Company’s shares, and enables executive officers to acquire a significant ownership position in the Company.

Management recommended the individual award allotments to the Board of Directors and the size of the awards are dependent on, among other things, each Participant’s level of responsibility, authority and importance to the Company and the degree to which such long-term contribution to the Company will be responsible for its long-term success. The Board of Directors also evaluates the number of awards a Participant has been awarded, the exercise price of the stock options and the term remaining on those stock options when considering further awards.

The Board of Directors normally grants stock options to an executive officer when they first join the Company based on their level of responsibility. Additional awards may be made periodically to ensure that the number of awards granted to any particular officer is commensurate with the officer’s ongoing level of responsibility within the Company.

See Part 4 - “Executive Compensation”, as well as Part 5 – “Securities Authorized for Issuance under Equity Compensation Plans”.

BENEFITS AND PERQUISITES

Sun Peak’s named executive officers do not receive perquisites or benefits that are not generally available to all employees of Sun Peak’s. All the Company’s employees receive reimbursement for any reasonable expense valid for company business.

RISK OVERSIGHT

The Board of Directors is responsible for risk oversight and risk management in connection with the Company’s compensation policies and practices. The Board of Directors has considered the risks relating to the compensation paid to the Company’s executives, directors and other employees and has determined that the type and structure of the compensation does not present any risks that are reasonably likely to have a material adverse effect on the Company.

Directors and officers are prohibited from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, and collars) that are designed to hedge or offset a decrease in the market value of the Company’s equity securities that are granted as compensation or held, directly or indirectly, by a director or officer.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2021:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	4,325,000	\$0.35	4,384,864
Equity compensation plans not approved by securityholders	Nil	Nil	-
Total	4,325,000	\$0.35	4,384,864

Notes:

- (1) Represents the Option Plan of the Company, which reserves a number of common shares equal to 10% of the then outstanding common shares from time to time for issue pursuant to stock options. For further information on the Option Plan, refer to the heading “Approval of the 2022 Stock Option Plan”.

PART 6 – AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committees charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its Audit Committee.

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee has a charter that sets out its mandate and responsibilities. A copy of the charter is attached to this Information Circular as Appendix “A”.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee members consist of David Awram, Stephen de Jong and Hayley Thomasen all of whom are financially literate ⁽¹⁾. David Awram, Stephen de Jong and Hayley Thomasen are considered to be independent ⁽²⁾.

- (1) An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth 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.

- (2) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgement.

RELEVANT EDUCATION AND EXPERIENCE

Mr. Awram is the Chair of the Audit Committee. The relevant education and experience of such members is as follows:

DAVID AWRAM

David Awram co-founded Sandstorm Gold Ltd. and is currently a Director and its Senior Executive Vice President. Through his contributions to capital raises, technical due diligence, and corporate development, Mr. Awram has been instrumental in growing Sandstorm Gold from a start-up to a leading mid-tier royalty company. Before starting Sandstorm, Mr. Awram served as Director of Investor Relations at Silver Wheaton Corp. (now Wheaton Precious Metals Corp.) where his role included corporate development and investor relations during Silver Wheaton's dramatic growth into a multi-billion-dollar company. Mr. Awram is a graduate of the University British Columbia with a Bachelor of Science degree in Geology. Mr. Awram is also a director and Audit Committee member of Integra Resources Corp and Pucara Gold Ltd.

STEPHEN DE JONG

Stephen de Jong has over ten (10) years of experience in the mining industry and was most recently the President and CEO of Integra Gold from 2012 until its sale to Eldorado Gold Corporation in July 2017 for C\$590 million. Under his leadership at Integra Gold, Mr. de Jong attracted a high-caliber team of geologists, engineers, entrepreneurs, and consultants that advanced the Integra Gold's Lamaque project from an exploration property to a near-term production asset. Mr. de Jong is set on transforming the mining industry using high-tech and highly connected methods and co-led the efforts behind the 2016 Integra Gold Rush Challenge and the 2017 #DisruptMining initiatives. Mr. de Jong holds a Bachelor of Commerce degree from Royal Roads University and is the Chairman of Integra Resources Corp. and CEO and co-founder of VRIFY.

HAYLEY THOMASEN

Hayley Thomassen is the founder of Pathway Ventures UK Ltd., a privately held London based venture capital / consultancy firm focused on metals and mining. Previously, Ms. Thomassen worked as an Investment Analyst at Orion Resource Partners (UK) LLP and as an exploration geologist for both junior and major mining companies in Canada. Ms. Thomassen holds a Professional Science Masters (PSM) degree in Economic Geology from the University of Arizona and a Bachelor of Science degree in Earth and Ocean Sciences (Geology) from the University of British Columbia. Ms. Thomassen also holds a Bachelor of Arts degree in Humanistics & English Literature from McGill University and the Investment Management Certificate (IMC) awarded by the CFA Society United Kingdom.

Based on their business and educational experiences, each Audit Committee member has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection of the accounting for estimates, accruals and reserves; experience analyzing and evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

AUDIT COMMITTEE OVERSIGHT

At no time was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

RELIANCE ON CERTAIN EXEMPTIONS

Since the commencement of the Company's most recently completed financial year, it has not relied on an exemption, in whole or in part, granted under Part 8 of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

EXTERNAL AUDITOR SERVICE FEES

Except as noted, all dollar amounts herein are in Canadian dollars. Fees, for professional services rendered by Davidson & Company LLP to the Company were:

	Fiscal Year Ended December 31, 2021 (\$)	Fiscal Year Ended December 31, 2020 (\$)
Audit Fees ⁽¹⁾	40,000	57,000
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	5,750	5,000
All other Fees ⁽⁴⁾	Nil	Nil

Notes:

- (1) "Audit Fees" represent the fees for the audit of the Company's consolidated financial statements for the fiscal year ended December 31, 2021, and December 31, 2020.
- (2) "Audit Related Fees" represent the fees for the review of the Company's interim consolidated financial statements and services normally provided by the accountant in connection with the Company's interim statutory and regulatory filings.
- (3) "Tax Fees" represent the fees for tax services consisting of tax compliance and tax planning and advice.
- (4) "All Other Fees" represent the fees for products and services not disclosed in (2), (3) or (4) above.

PART 7 – CORPORATE GOVERNANCE DISCLOSURE

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

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS

No individual who is, or at any time during the fiscal year ended December 31, 2021, was, a director or proposed nominee for election as a director of the Company, an executive officer or senior officer and no associate or affiliate of any such person, is indebted to the Company or to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, except for routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, there are no material interests, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director 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.

MANAGEMENT CONTRACTS

Management functions of the Company are not performed, to any substantial degree, by a person or persons other than the directors or executive officers of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year ended December 31, 2021, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon, other than the election of directors or the approval of the Option Plan.

OTHER BUSINESS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of the Proxy to vote the Shares represented in accordance with their best judgment on the matter.

ADDITIONAL INFORMATION

You may obtain additional financial information about Sun Peak in our Financial Statements and Management's Discussion and Analysis for the fiscal years ended December 31, 2020 and December 31, 2021, by completing the enclosed Financial Statement Request Form, which is being mailed with this Information Circular. Copies may be obtained free of charge upon request to the Company at Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6 – telephone: +1 (604) 536-2711 | fax: +1 (604) 536-2788. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com or the Company's website at www.sunpeakmetals.com.

BOARD APPROVAL

The contents of this Information Circular have been approved, and its mailing has been authorized by the Directors of the Company.

Dated at White Rock, British Columbia, this 6th day of May 2022.

ON BEHALF OF THE BOARD,

“Greg Davis”

PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR

APPENDIX "A"

AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors on July 17, 2018)

1. Purpose

- 1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:
 - (a) support the Board of Directors in meeting its responsibilities to shareholders;
 - (b) verify the independence of the external auditor;
 - (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
 - (d) increase the credibility and objectivity of the Company's financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

- 2.1. Each member of the Audit Committee must be a director of the Company.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
 - (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and
 - (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.

4. Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
- (b) recommending to the Board of Directors the compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) verifying that the external auditor is in good standing with the Canadian Public Accountability Board ("CPAB") and will enquire if there are any sanctions imposed by the CPAB on the external auditor;
- (f) verifying that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process and obtaining from the external auditor summaries and recommendations for improvement of such internal controls and processes;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- (n) resolving disputes between management and the external auditor regarding financial reporting;
- (o) establishing procedures to deal with complaints and concerns, from employees and others, regarding questionable accounting, internal accounting controls or auditing practises;
- (p) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

- (q) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
 - (r) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor; and
 - (s) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.
- 4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

- 5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.
- 5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.
- 5.3. The Audit Committee may establish its own schedule of meeting dates that it will provide to the Board of Directors in advance.
- 5.4. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.5. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.6. The external auditor must be given reasonable notice of and has the right to appear before and to be heard at, each meeting of the Audit Committee.
- 5.7. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

- 6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

APPENDIX “B”

FORM 58-101F2

CORPORATE GOVERNANCE DISCLOSURE

(VENTURE ISSUERS)

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 who are charged with day-to-day management of the Company.

National Policy 58-201 – Corporate Governance Guidelines (the “**Guidelines**”) establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company’s approach to corporate governance is set forth below.

MANDATE OF THE BOARD

The Board assumes responsibility for the stewardship of the Company and the enhancement of shareholder value. The Board is responsible for:

- a) ensuring that management develops and implements a strategic plan that takes into account market realities and regulatory compliance;
- b) upholding a comprehensive policy for communications with shareholders and the public at large;
- c) developing and formalizing the responsibilities for each member of the Board, including the responsibilities of the President vis-à-vis corporate objectives;
- d) ensuring that the risk management of Sun Peak is prudently addressed; and
- e) overseeing succession planning for management.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of Sun Peak. However, the Board meets at least quarterly and at each meeting there is a review of the business of Sun Peak.

The Board of the Company facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company’s management being in attendance.

INDEPENDENCE OF MEMBERS OF BOARD

The Board is composed of five directors, of which Messrs. Awram and de Jong and Ms. Thomasen are considered as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with Sun Peak. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Greg Davis, by virtue of his position as President and CEO of the Company and Doris Meyer, by virtue of her position as Corporate Secretary of the Company, are considered not independent.

MANAGEMENT SUPERVISION BY BOARD

The operations of the Company do not support a large board of directors and the Board has determined that the current size and constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability, having strong independent Board members and implementing reporting mechanisms to inform the Board of management's operation of the Company. The independent directors are able to meet at any time without any members of management including the non-independent director being present.

DIRECTORSHIPS

Certain directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Directorships (other reporting issuer or equivalent in a foreign jurisdiction)
David Awram	Integra Resources Corp. Pucara Gold Ltd. Sandstorm Gold Ltd.
Doris Meyer	Clover Leaf Capital Corp.
Greg Davis	Pucara Gold Ltd.
Hayley Thomasen	Level 14 Ventures Ltd.
Stephen de Jong	Integra Resources Corp.

Mr. Awram is the Chairman of the Board.

ORIENTATION AND CONTINUING EDUCATION

Sun Peak will provide new directors with an orientation program upon joining the Company that includes copies of relevant financial, technical, scientific and other information regarding its products and meetings with management.

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

ETHICAL BUSINESS CONDUCT

Sun Peak adopted a written code of business conduct and ethics. The Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

NOMINATION OF DIRECTORS

It is the view of the Board that all directors, individually and collectively, should assume responsibility for nominating directors. The Board is responsible for identifying and recommending potential nominees for directorship and senior management. The Board will consider its size each year when it considers the

number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

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

COMPENSATION

Compensation matters are currently determined by the entire Board. The Board is responsible for reviewing the compensation plans and severance arrangements for management, to ensure they are commensurate with comparable companies. The Board will ensure that Sun Peak has a plan for continuity of its officers and a compensation plan that is motivational and competitive.

ASSESSMENTS

The Board and each individual director are regularly assessed regarding their effectiveness and contribution. The assessment considers:

- in the case of the Board, its mandate and charter; and
- in the case of an individual director, the applicable position description(s), if any, as well as the competencies and skills each individual director is expected to possess.

OTHER COMMITTEES

The Board has no other Committees other than the Audit Committee.

APPENDIX “C”

2022 STOCK OPTION PLAN

SUN PEAK METALS CORP.

STOCK OPTION PLAN

Effective Date: March 29, 2022

Approved by the Board of
Directors on March 29, 2022.

Approved by the
Shareholders on [MONTH] [DAY], 2022.

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STOCK OPTION PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants of the Corporation and its Subsidiaries, to reward such of those Executives, Employees and Consultants as may be granted Options under the Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Executives, Employees and Consultants to acquire Shares as long term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings:

“**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental, regulatory authority, securities commission and stock exchange having authority over the Corporation or the Plan;

“**Black-Out**” means a restriction formally imposed by the Corporation, pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Options;

“**Board**” means the board of directors of the Corporation;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver are open for commercial business during normal banking hours;

“**Cashless Exercise**” has the meaning set forth in Section 4.8(b);

“**Cause**” means:

- (a) unless the applicable Option Certificate states otherwise, with respect to any Employee, Officer or Consultant:
 - (i) if such Employee, Officer or Consultant is a party to an employment or service agreement with the Corporation or any of its Subsidiaries and such agreement provides for a definition of Cause, the definition contained therein; or
 - (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the employment or service agreement of such Employee, Officer or Consultant, without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (A) the failure of the Employee, Officer or Consultant to carry out its duties properly or to comply with the rules,

policies and practices of the Corporation or any of its Subsidiaries, as applicable; (B) a material breach of any agreement with the Corporation or any of its Subsidiaries, as applicable, or a material violation of any written policy of the Corporation or any of its Subsidiaries, as applicable; (C) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (D) a material fiduciary breach with respect to the Corporation or any of its Subsidiaries, as applicable; (E) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Subsidiaries; or (F) gross negligence or willful misconduct with respect to the Corporation or any of its Subsidiaries; and

- (b) with respect to any Director, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:
 - (i) gross misconduct or neglect;
 - (ii) willful conversion of corporate funds;
 - (iii) false or fraudulent misrepresentation inducing the Director's appointment; or
 - (iv) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance;

“Change of Business” has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

“Change in Control” means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Option Certificate, the occurrence of any one or more of the following events:

- (a) the direct or indirect acquisition or conversion from time to time of more than 20% of the issued and outstanding Shares, in aggregate, by a Person or group of Persons acting in concert, other than through an employee share purchase plan or employee share ownership plan;
- (b) a change in the composition of the Board which results in the majority of the directors of the Corporation not being individuals nominated by the Corporation's then incumbent directors; or
- (c) a merger, amalgamation, arrangement or reorganization of the Corporation with one or more corporations as a result of which, immediately following such event, the shareholders of the Corporation as a group, as they were immediately prior to such event, hold less than a majority of the outstanding Voting Shares of the surviving corporation;

“Committee” has the meaning set forth in Section 3.2;

“Company” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“Consultant” means:

- (a) a Person (other than an Executive or Employee) that:
- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its Subsidiaries, other than services provided in relation to a distribution of securities (as defined under Applicable Laws);
 - (ii) provides the services under a written contract between the Corporation or any of its Subsidiaries and the individual or the Company, 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 of any of its Subsidiaries, or
- (b) an individual (other than a Director, Officer or Employee) employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;

“**Corporate Policies**” means any of the policies of the Corporation;

“**Corporation**” means Sun Peak Metals Corp.;

“**Date of Grant**” means, for any Option, the date specified by the Plan Administrator at the time it grants the Option (which, for greater certainty, shall be no earlier than the date on which the Board meets or otherwise acts for the purpose of granting such Option) or if no such date is specified, the date upon which the Option was granted;

“**Director**” means a director (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“**Disabled**” or “**Disability**” means a physical injury or mental incapacity of a nature which the Plan Administrator determines prevents or would prevent the Participant from satisfactorily performing the substantial and material duties of his or her position with the Corporation or any of its Subsidiaries;

“**Effective Date**” means the date the Plan becomes effective, which shall be upon receipt of all shareholder and Regulatory Approvals;

“**Employee**” means an individual who:

- (a) is considered an employee of the Corporation or any of its Subsidiaries under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) works full-time for the Corporation or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or of a Subsidiary of the Corporation, as the case may be, but for whom income tax deductions are not made at source; or
- (c) works for the Corporation or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee

and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or any of its Subsidiaries;

“**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out in the Option Certificate (or in such other form as may be approved by the Plan Administrator, duly executed by the Participant;

“**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained;

“**Exercise Price**” means the price at which an Option is exercisable as determined in accordance with Section 4.5;

“**Expiry Date**” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with Sections 4.10, 5.1, 7.2, or Article 6;

“**Expiry Time**” means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date;

“**Exchange**” means the TSXV and any other exchange on which the Shares are or may be listed from time to time;

“**Executive**” means an individual who is a Director or Officer;

“**Good Reason**” means any one or more of the following events occurring following a Change in Control and without the Participant’s written consent:

- (a) the Participant is placed in a position of lesser stature than its current position and, is assigned duties that would result in a material change in the nature or scope of powers, authority, functions or duties inherent in such a position immediately prior to the Change in Control;
- (b) a material decrease in the Participant’s base salary or a material decrease in the Participant’s short-term incentive grants, long-term incentive grants, benefits, vacation or other compensation;
- (c) a requirement that the Participant relocate to a location greater than 40 kilometers from the Participant’s primary work location immediately prior to the Change in Control; or
- (d) any action or event that would constitute constructive dismissal of the Participant at common law;

“**Insider**” means:

- (a) a Director or senior officer of the Corporation;
- (b) a Director or senior officer of a Company that is an Insider or a Subsidiary of the Corporation;

- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares of the Corporation carrying more than 10% of the voting rights attached to the Voting Shares of the Corporation; or
- (d) the Corporation itself if it holds any of its own securities;

“**Investor Relations Service Providers**” has the meaning attributed thereto in Policy 4.4 – *Security Based Compensation*, as amended from time to time, of the TSXV Manual;

“**Market Price**” means the market value of the Shares as determined in accordance with Section 4.5;

“**Net Exercise**” has the meaning set out in Section 4.8(c);

“**Officer**” means an officer (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“**Option**” means an incentive share purchase option granted pursuant to the Plan entitling a Participant to purchase Shares of the Corporation;

“**Option Certificate**” means a certificate issued by the Corporation in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Option has been granted under the Plan and which need not be identical to any other such certificates;

“**Outstanding Options**” has the meaning ascribed to it in Section 3.7;

“**Participant**” means an Executive, Employee or Consultant to whom an Option has been granted under the Plan;

“**Person**” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“**Personal Representative**” means: (i) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of a Participant who, for any reason, is unable to manage his or her affairs, the Person entitled by law to act on behalf of such Participant;

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

“**Plan Administrator**” means the Board, or if the administration of the Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“**Prior Plan**” means the Corporation’s prior stock option plan;

“**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of the Plan or for the Options granted from time to time hereunder;

“**Regulatory Authorities**” means all Exchanges and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation, the Plan or the Options granted from time to time hereunder;

“**Reorganization**” has the meaning attributed thereto in Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*, as amended from time to time, of the TSXV Manual;

“**Reverse Takeover**” has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

“**RRIF**” means a registered retirement income fund as defined in the Tax Act;

“**RRSP**” means a registered retirement savings plan as defined in the Tax Act;

“**Securities Act**” means the *Securities Act* (British Columbia, RSBC 1996, c. 418 as from time to time amended);

“**Securities Laws**” has the meaning attributed thereto in Policy 1.1 – *Interpretation*, as amended from time to time, of the TSXV Manual;

“**Security Based Compensation Arrangement**” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation’s treasury to Executives, Employees or Consultants, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation’s treasury or arrangements under which compensation arrangements are settled solely in cash and/or securities purchased on the secondary market;

“**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or after an adjustment contemplated by Article 7, such other shares or securities to which the holder of an Option may be entitled as a result of such adjustment;

“**Shareholder Approval**” means approval by the Corporation’s shareholders in accordance with the policies of the Exchange;

“**Subsidiary**” has the meaning attributed thereto in the Securities Act;

“**Tax Act**” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“**Termination Date**” means (i) the date designated by the Participant and the Corporation or a Subsidiary of the Corporation in a written employment agreement, or other written agreement between the Participant and Corporation or a Subsidiary of the Corporation, or (ii) if no written agreement exists, the date designated by the Corporation or a Subsidiary of the Corporation, as the case may be, on which a Participant ceases to be an employee of the Corporation or a Subsidiary of the Corporation or ceases to provide services to the Corporation or a Subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment or termination of services by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not mean the date of termination of any period of reasonable notice that the Corporation or a Subsidiary of the Corporation, as applicable, may be required by law to provide to the Participant;

“**Triggering Event**” means:

- (a) the proposed dissolution, liquidation or wind-up of the Corporation;
- (b) a proposed Change in Control;
- (c) the proposed sale or other disposition of all or substantially all of the assets of the Corporation; or
- (d) a proposed material alteration of the capital structure of the Corporation which, in the opinion of the Plan Administrator, is of such a nature that it is not practical or feasible to make adjustments to the Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect;

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

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

“**Vested**” means a portion of the Option granted to the Participant which is available to be exercised by such Participant at any time and from time to time;

“**Voting Share**” means a security of a Company that:

- (a) is not a debt security; and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing; and

“**VWAP**” means the volume-weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of the Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the TSXV may exclude internal crosses and certain other special terms trades from the calculation.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of the Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section” and “clause” mean and refer to the specified Article, Section and clause of the 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 the Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to and consistent with the terms of the Plan, Applicable Laws and the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Plan will be administered by the Plan Administrator, and the Plan Administrator has sole and complete authority, in its discretion, without limitation, to:

- (a) determine the Persons who are eligible to be Participants in accordance with Section 3.4;
- (b) make grants of Options under the Plan relating to the issuance of Shares in such amounts, to such Participants and, subject to the provisions of the Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Options may be granted, including the applicable Date of Grant
 - (ii) the conditions under which an Option or any portion thereof may be granted to a Participant including, without limitation, the Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) the consequences of a termination with respect to an Option;
 - (iv) the number of Shares subject to each Option;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Option, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Option, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of the Option Certificate and Exercise Notice;
- (d) amend the terms of any Option, subject to and in accordance with the terms and conditions of the Plan;
- (e) cancel, amend, adjust or otherwise change any Option under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Plan, including but not limited to:
 - (i) allowing non-Vested Options to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or Disability;

- (ii) providing that the Options with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) providing for the continuation of any Option for such period which is not longer than 12 months from the Termination Date or 12 months from the date of death or Disability of the Participant, and upon such terms and conditions as are determined by the Plan Administrator in the event that a Participant ceases to be an Executive, Employee or Consultant, as the case may be;
 - (iv) providing that Vested Options may be exercised for periods longer or different from those set forth in the Plan, subject to the applicable rules of the Exchange; and
 - (v) setting any other terms for the exercise or termination of an Option upon termination of employment or service;
- (f) construe and interpret the Plan and all Option Certificates;
 - (g) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Price of the Shares;
 - (h) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
 - (i) determine whether, to what extent, and under what circumstances an Option may be exercised in cash, through a cashless exercise or through net exercise pursuant to Section 4.8;
 - (j) determine the duration and purposes of leaves of absence from employment or engagement by the Corporation which may be granted to Participants without constituting a termination of employment or engagement for purposes of the Plan;
 - (k) authorize Persons to execute such documents and instruments as may be necessary to carry out the purposes of the Plan and grants of Options from time to time hereunder;
 - (l) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan; and
 - (m) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by Applicable Law, the Board may, from time to time, delegate to a committee of the Corporation (the “**Committee**”), consisting of not less than two of its members, all or any of the powers conferred on the Plan Administrator pursuant to the Plan, including the power to sub-delegate to any specified Directors or Officers all or any of the

powers delegated by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

- (c) In the event the Board delegates to the Committee all or any of the powers conferred on the Plan Administrator pursuant to the Plan, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of the Plan in this context is final and conclusive and binding on the Corporation and all affiliates of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

Any decision made or action taken by the Board, 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 interpretation of the Plan is final, conclusive and binding on all affected Persons, including the Corporation and any of its Subsidiaries, the affected Participants and their Personal Representatives, any shareholder of the Corporation and all other Persons.

3.4 Eligibility

Subject to the discretion of the Plan Administrator, all Executives, Employees and Consultants are eligible to participate in the Plan. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Executive, Employee or Consultant any right to receive any grant of an Option pursuant to the Plan. In addition, in order to be eligible to receive Options, in the case of Employees and Consultants, the Option Certificate to which they are a party must contain a representation of the Corporation and of such Employee or Consultant, as the case may be, that such Employee or Consultant is a bona fide Employee or Consultant of the Corporation or a Subsidiary of the Corporation, as the case may be.

3.5 Board Requirements

Any Option granted under the Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Option upon any securities exchange or under any Applicable Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Option or the issuance or purchase of Shares thereunder, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Liability Limitation and Indemnification

No member of the Board or the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Option Certificate or any Option granted hereunder.

3.7 Total Shares Subject to Options

Subject to adjustment pursuant to Article 7, the number of Shares hereby reserved for issuance to Participants under the Plan shall not exceed 10% of the number of Shares which are issued and outstanding on the particular date of grant of Options. There are 4,325,000 Options (the “**Outstanding Options**”) outstanding on the date hereof which were granted under the Prior Plan, which will remain in full force and effect in accordance with their terms. The number of Shares issuable upon exercise of the Outstanding Options shall be included in the calculation of the maximum number of Shares issuable pursuant to Options. Any Shares subject to an Option which has been granted under the Plan and which has been cancelled, terminated, surrendered, forfeited or expired without having been exercised as provided for in the Plan shall again be available under the Plan.

3.8 Limits on Options

Notwithstanding anything in the Plan, if the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) unless disinterested Shareholder Approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV):
 - (i) the maximum number of Shares that may be issued to any one Participant (and where permitted pursuant to the policies of the TSXV, any Company that is wholly-owned by the Participant) under the Plan, together with all of the Corporation’s other Security Based Compensation Arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Date of Grant;
 - (ii) the maximum number of Shares that may be issued to Insiders (as a group) under the Plan, together with all of the Corporation’s other Security Based Compensation Arrangements, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Date of Grant; and
 - (iii) the maximum number of Shares that may be issued to Insiders (as a group) under the Plan, together with all of the Corporation’s other Security Based Compensation Arrangements, may not exceed 10% of the issued Shares at any time;
- (b) the maximum number of Shares that may be issued to any one Consultant under the Plan, together with all of the Corporation’s other Security Based Compensation Arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the Date of Grant;
- (c) the maximum number of Shares issuable pursuant to Options which may be granted within any 12-month period to Investor Relations Service Providers (as a group) must not exceed 2% of the issued Shares calculated on the Date of Grant;
- (d) Options granted to Investor Relations Service Providers must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period; and
- (e) any Options granted to a Participant who ceases to be a Participant under the Plan for any reason whatsoever shall terminate at a date no later than 12 months from the date such Participant ceases to be a Participant under the Plan.

3.9 Option Certificates

Each Option under the Plan will be evidenced by an Option Certificate. Each Option Certificate will be subject to the applicable provisions of the Plan and will contain such provisions as are required by the Plan and any other provisions that the Plan Administrator may direct.

3.10 Non-transferability of Options

Except to the extent that certain rights may pass to a beneficiary or Personal Representative upon death of a Participant by will or as required by law, no Option is assignable or transferable.

3.11 Resale Restrictions

Any Shares issued by the Corporation upon exercise or settlement of an Option are subject to any resale and trading restrictions in effect pursuant to Applicable Laws and the policies of the Exchange, and the Corporation shall be entitled to place any restriction or legend on any certificates representing such Shares accordingly. Any Option Certificate will bear the following legend, if required pursuant to the policies of the TSXV:

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

Any certificate representing Shares issued pursuant to an exercise of an Option before the date that is four month and one day after the date of grant of an Option will bear the following legend, if required pursuant to the policies of the TSXV:

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

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to Corporate Policies, the provisions of the Plan and such other terms and conditions as the Plan Administrator may determine, grant Options to any Participant, and in doing so, may, without limitation, in its discretion, (a) designate the Participants who may receive Options under the Plan, (b) fix the number of Options to be granted to each Participant and the date or dates on which such Options shall be granted, and (c) determine the relevant conditions and vesting schedules in respect of any Options.

4.2 Options Account

All Options 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. The terms and conditions of each Option grant shall be evidenced by an Option Certificate.

4.3 Exercise Period of Options

Subject to Sections 4.10, 5.1, and 7.4 and Article 6, the Date of Grant and the Expiry Date of an Option shall be the dates fixed by the Plan Administrator at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option, provided that the duration of such Option will not exceed the maximum term permitted by each organized trading facility on which the Shares are listed, being 10 years for the TSXV from the Date of Grant of such Option (subject to extension where the Expiry Date is within a Black-Out period pursuant to Section 5.1).

4.4 Number of Shares under an Option

The number of Shares which may be purchased pursuant to an Option shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option.

4.5 Exercise Price of an Option

The Exercise Price at which a Participant may purchase a Share upon the exercise of an Option shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Price of the Shares as of the Date of Grant. The Market Price of the Shares for a particular Date of Grant shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Price will be:
 - (i) the closing trading price of the Shares on the day immediately preceding the issuance of the news release announcing the grant of the Option, or
 - (ii) if, in accordance with the policies of the TSXV, the Corporation is not required to issue a news release to announce the grant and exercise price of the Option, the closing trading price of the Shares on the day immediately preceding the Date of Grant,

and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;

- (b) if the Shares are listed on more than one organized trading facility, the Market Price shall be the Market Price as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Plan Administrator, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Price will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Plan Administrator; and

- (d) if the Shares are not listed on any organized trading facility, then the Market Price will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Plan Administrator to be the fair value of the Shares, taking into consideration all factors that the Plan Administrator deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length.

Notwithstanding anything else contained herein, in no case will the Market Price be less than the minimum prescribed by each of the organized trading facilities that would apply to the Corporation on the Date of Grant in question.

4.6 Vesting of Options and Acceleration

Subject to the limitations in Section 3.8 and all applicable Regulatory Rules, the vesting schedule for an Option, if any, shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option. The Plan Administrator may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Participant under Section 8.2 of the Plan. Notwithstanding the foregoing, if the Corporation is listed on the TSXV, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

4.7 Additional Terms

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Plan Administrator may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Corporation shall prevail over the terms and conditions in the Option Certificate.

4.8 Exercise of Options

An Option may be exercised only by the Participant or the Personal Representative of any Participant. A Participant or the Personal Representative of any Participant may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Plan Administrator the required Exercise Notice, the applicable Option Certificate and one of following forms of consideration, subject to Applicable Laws:

- (a) *Cash Exercise* - Consideration may be paid by a Participant sending a wire transfer, certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option.
- (b) *Cashless Exercise* - Subject to approval from the Plan Administrator and further subject to the Shares being traded on the Exchange, consideration may be paid by a Participant as follows: (i) a brokerage firm loans money to the Participant in order for the Participant to exercise Options to acquire the underlying Shares (the "**Loan**"); (ii) the brokerage firm then sells a sufficient number of Shares to cover the Exercise Price of the Options that were exercised by the Participant in order to repay the Loan; and (iii) the brokerage firm receives an equivalent number of Shares from the exercise of the Options and the Participant receives the balance of the Shares or the cash proceeds from the balance of such Shares.

- (c) *Net Exercise* - Subject to approval from the Plan Administrator and further subject to the Shares being traded on the Exchange, consideration may be paid by reducing the number of Shares otherwise issuable under the Options such that, in lieu of a cash payment to the Corporation, a Participant, excluding Investor Relations Service Providers, only receives the number of Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the Exercise Price of the subject Options, by (ii) the VWAP of the underlying Shares.

In the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Corporation, must be included in calculating the limits set forth in Sections 3.7, 3.8(a), 3.8(b) and 3.8(c).

4.9 Issue of Share Certificates or Direct Registration Statements

As soon as reasonably practicable following the receipt of the Exercise Notice, the Plan Administrator shall cause to be delivered to the Participant a certificate or direct registration statement for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Plan Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Participant concurrent with delivery of the certificate or direct registration statement for the Shares.

4.10 Termination of Options

Subject to such other terms or conditions that may be attached to Options granted hereunder, a Participant may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Plan Administrator at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, pursuant to Article 6.

ARTICLE 5 ADDITIONAL OPTION TERMS

5.1 Black-Out Period

If the Expiry Date for an Option occurs during the Black-Out period, then, notwithstanding any other provision of the Plan, the Option shall be extended no more than ten Business Days after the date the Black-Out is lifted by the Corporation, unless the delayed expiration would result in tax penalties or the Participant or the Corporation is subject to a cease trade order in respect of the Corporation's securities.

5.2 Withholding Taxes

The granting, vesting or exercise of each Option under the Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or exercise, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or a Subsidiary of the Corporation is obliged to remit to the relevant taxing authority in respect of the granting, vesting or exercise of the Option. Any such additional payment is due no later than the date on which such amount with respect to the Option is required to be remitted to

the relevant tax authority by the Corporation or a Subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or a Subsidiary of the Corporation to the Participant, (b) require the sale of a number of Shares issued upon exercise or vesting of such Option and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount or (c) enter into any other suitable arrangements for the receipt of such amount. For greater certainty, the application of this Section 5.2 to any granting, vesting or exercise of an Option shall not conflict with the policies of the Exchange that are in effect at the relevant time and the Corporation will obtain prior Exchange acceptance and/or shareholder approval of any application of this Section 5.2 if required pursuant to such policies.

Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan, whether arising as a result of the grant or payment in respect of the Option or otherwise. The Corporation, the Plan Administrator and the Board make no guarantees to any Person regarding the tax treatment of an Option or issuances of Shares and none of the Corporation, the Board, the Plan Administrator or any of the Executives, Employees, Consultants, agents, advisors or representatives of the Corporation or the Subsidiary of the Corporation shall have any liability to a Participant with respect thereto.

5.3 **Recoupment**

Notwithstanding any other terms of the Plan, Options may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or a Subsidiary of the Corporation and in effect at the Date of Grant of the Option, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 5.3 to any Participant or category of Participants.

5.4 **No Other Benefit**

- (a) 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 Share or the value of any Option granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
- (b) The Corporation makes no representations or warranties to Participants with respect to the Plan or any Options whatsoever. Participants are expressly advised that the value of any Options issued pursuant to the Plan will fluctuate as the trading price of the Shares fluctuates.
- (c) In seeking the benefits of participation in the Plan, the Participant shall exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of any Options.

ARTICLE 6 TERMINATION OF EMPLOYMENT OR SERVICES

6.1 **Termination of Participant**

Subject to Article 7 and unless otherwise determined by the Plan Administrator or as set forth in an Option Certificate:

- (a) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, then each Option held by the Participant that has

not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. The Plan Administrator, in its discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause. In addition, where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, the Plan Administrator may, in its discretion, determine that all Options held by the Participant that have Vested as of the Termination Date shall immediately become forfeited, cancelled, null and void, failing which, all Options held by the Participant that have Vested as of the Termination Date shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;

- (b) where a Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, then each Option held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. All Options held by the Participant that have Vested as of the Termination Date shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;
- (c) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice); then:
 - (i) a portion of any Options held by the Participant that are not yet Vested shall immediately vest, with such portion to be equal to the number of unvested Options multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date the unvested Options were originally scheduled to vest. For clarity and by way of example, if a Participant's employment is terminated 400 days following the Date of Grant and unvested Options were originally scheduled to vest 600 days from the Date of Grant, two-thirds of the unvested Options will immediately vest;
 - (ii) subject to Section 6.1(c)(i), any Options held by the Participant that are not yet Vested at the Termination Date after the application of Section 6.1(c)(i) shall be immediately forfeited to the Corporation; and
 - (iii) any Options held by the Participant that have Vested as of the Termination Date or Vested pursuant to Section 6.1(c)(i) shall be settled in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;
- (d) notwithstanding that such date may be prior to the Termination Date, a Participant's eligibility to receive further grants of Options under the Plan ceases as of the date that: (i)

the Corporation or a Subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment or services are terminated in the circumstances contemplated by this Section 6.1, or (ii) the Participant provides the Corporation or a Subsidiary of the Corporation, as the case may be, with written notification of the Participant's voluntary resignation;

- (e) unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options shall not be affected by a change of employment agreement or arrangement, or directorship within or among the Corporation or a Subsidiary of the Corporation for so long as the Participant continues to be an Executive, Employee or Consultant, as applicable, of the Corporation or a Subsidiary of the Corporation.

6.2 Leave of Absence

If a Participant is on sick leave or other bona fide leave of absence, such Participant shall continue to be deemed a "Participant" for the purposes of an outstanding Option during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Plan Administrator in its discretion). If the period of leave exceeds 90 days (or such longer period as may be determined by the Plan Administrator in its discretion), the relationship shall be deemed to have been terminated by the Participant voluntarily on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Plan Administrator) of such leave, unless the Participant's right to reemployment or reengagement of services with the Corporation or a Subsidiary of the Corporation, as applicable, is guaranteed by statute or contract.

6.3 Death or Disability

Where a Participant's employment or services are terminated by reason of the death of the Participant or the Participant becomes Disabled, then each Option held by the Participant that has not Vested as of the date of the death or Disability, as applicable, of such Participant shall vest on such date, and be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; and (ii) first anniversary of the date of the death or Disability of the Participant. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period. A Participant's eligibility to receive further grants of Options under the Plan ceases as of the date of the death or Disability of the Participant.

6.4 Discretion to Permit Acceleration

Notwithstanding the provisions of this Article 6, subject to any necessary Regulatory Approvals and, in the case of Options granted to Investor Relations Service Providers, Section 3.8(d) and Section 4.6, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in Article 6, permit the acceleration of vesting of any or all Options, all in the manner and on the terms as may be authorized by the Plan Administrator, and if such discretion is taken and the vesting of any or all Options occurs, then such Options will be exercised in accordance with Section 4.8.

ARTICLE 7 EVENTS AFFECTING THE CORPORATION

7.1 Change in Control

Except as may be set forth in an employment agreement or other written agreement between the Corporation or a Subsidiary of the Corporation and the Participant and subject to any necessary Regulatory Approvals:

- (a) Unless determined otherwise by the Plan Administrator, if within 12 months following the completion of a transaction resulting in a Change in Control, (i) a Participant's employment or directorship is terminated by the Corporation or a Subsidiary of the Corporation without Cause or (ii) a Participant resigns for Good Reason, without any action by the Plan Administrator, the vesting of all Options held by such Participant shall immediately accelerate and vest on the date of such Participant's termination or resignation for Good Reason and the Options shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.
- (b) Notwithstanding Section 7.1(a), the Plan Administrator may, without the consent of any Participant, and subject to prior TSXV acceptance pursuant to Section 8.2(a), as applicable, take such steps as it deems necessary or desirable in connection with a Change in Control, including, without limitation, to cause: (i) the conversion or exchange of any outstanding Options into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Options to vest and become realizable, or payable; (iii) restrictions applicable to an Option to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iv) the termination of an Option in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the settlement of such Option or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the settlement of such Option or realization of the Participant's rights, then such Option may be terminated by the Corporation without payment); (v) the replacement of such Option with other rights or property selected by the Board in its discretion; or (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 7.1(a), the Plan Administrator will not be required to treat all Options similarly in the transaction.

7.2 Triggering Events

Subject to any necessary Regulatory Approvals and notwithstanding any other provisions of the Plan or any Option Certificate, the Plan Administrator may, without the consent of the Participant in question cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event, provided that the Corporation must give written notice to the Participant in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Participant the opportunity to exercise the Vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Corporation proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

7.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in

Control, or in the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control, that would warrant the amendment or replacement of any existing Options in order to adjust the number of Shares that may be acquired on the vesting of outstanding Options and/or the terms of any Option in order to preserve proportionately the rights and obligations of the Participants holding such Options, the Plan Administrator may, subject to the prior approval of the Exchange, if required, authorize such steps to be taken as it may consider to be equitable and appropriate to that end, including, but not limited to, permitting the immediate vesting of any unvested Options and amending the Exercise Price payable per Share.

7.4 Assumptions of Options in Acquisitions

Notwithstanding any other provision of the Plan, in connection with a Reverse Takeover, a Change of Business, a Reorganization or an acquisition pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSXV Manual, subject to prior TSXV acceptance, security based compensation of a target Company may be cancelled and replaced with substantially equivalent Options under the Plan without shareholder approval, provided that: (a) the number of Shares issuable pursuant to the Options (and their applicable exercise price) is adjusted in accordance with the share exchange ratio applicable to the particular transaction, regardless of whether the adjusted exercise price is below the current Market Price; and (b) any other applicable policies of the TSXV have been complied with.

7.5 No Restriction on Action

The existence of the Plan and of any Options granted hereunder shall not affect, limit or restrict in any way the right or power of the Corporation, the Board or the Corporation's shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise. No Participant or any other Person shall have any claim against any member of the Committee or the Corporation or any Employees, Officers or agents of the Corporation as a result of any such action.

7.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 7, 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 Shares that may be acquired as a result of a grant of Options.

7.7 Fractions

No fractional Shares will be issued pursuant to an Option. Accordingly, if, as a result of any adjustment under this Article 7, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares (rounded down to the nearest whole number) and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 8
AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

8.1 Discretion of the Plan Administrator

Subject to any Regulatory Approvals, including, where required, the approval of the TSXV and to Section 8.2, the Plan Administrator may, from time to time, without notice to or approval of the Participants or of the shareholders of the Corporation, amend, modify, change, suspend or terminate the Plan or any Options 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 Options granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any Applicable Laws or Exchange requirements or as otherwise set out in the Plan.

8.2 Amendment of Option or Plan

Notwithstanding Section 8.1 and subject to any rules of the Exchange, if the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) any adjustment to Options, other than in connection with a security consolidation or security split, is subject to the prior acceptance of the TSXV;
- (b) any amendment to the Plan is subject to the prior acceptance of the TSXV, except for amendments to: (i) reduce the number of Shares that may be issued under the Plan, (ii) increase the Exercise Price of Options, or (iii) cancel Options;
- (c) subject to any rules of the TSXV, approval of shareholders of the Corporation shall be required for any amendment to the Plan except for amendments to: (i) fix typographical errors, and (ii) clarify existing provisions of the Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- (d) any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option, held by an Insider at the time of the proposed amendment is subject to disinterested shareholder approval in accordance with the policies of the TSXV.

ARTICLE 9
MISCELLANEOUS

9.1 Legal Requirement

The Corporation is not obligated to grant any Options, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

9.2 Rights of Participant

No Participant has any claim or right to be granted an Option and the granting of any Option is not to be

construed as giving a Participant a right to remain as an Executive, Employee or Consultant of the Corporation or a Subsidiary of the Corporation. Neither the Participant nor such Participant's Personal Representatives shall have any rights whatsoever as a shareholder of the Corporation in respect of Shares issuable pursuant to any Option until the allotment and issuance to such Participant or the liquidator, executor or administrator, as the case may be, of the estate of such Participant, of certificates representing such Shares (or in the case of Shares issued in uncertificated form, receipt of evidence of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation).

9.3 Conflict

In the event of any conflict between the provisions of the Plan and the provisions of an Option Certificate, an employment agreement or another written agreement between the Corporation or a Subsidiary of the Corporation and a Participant, the provisions of the Plan shall govern.

9.4 Anti-Hedging Policy

By accepting the Option, 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 Options.

9.5 No Guarantee of Tax Consequences

Neither the Plan Administrator nor the Corporation makes any commitment or guarantee that any specific tax treatment will apply or be available to the Participants.

9.6 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.

9.7 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant.

9.8 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its affiliates.

9.9 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.

9.10 Notices

All written notices to be given by the Participant to the Corporation shall be delivered by (a) hand or courier, with all fees and postage prepaid, addressed using the information specified below, or designated otherwise by the Corporation in writing; or (b) email to the email address that the parties regularly use to correspond with one another or to any other email address specified by the Corporation in writing to the Participant:

Sun Peak Metals Corp.
1 - 15782 Marine Drive
White Rock, BC, V4B 1E6

Attention: Corporate Secretary

Such notices are, if delivered by hand or by courier, deemed to have been given by the sender and received by the addressee at the time of delivery. Any notice sent by email will be deemed to have been given by the sender and received by the addressee on the first Business Day after it was transmitted. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

9.11 Effective Date and Replacement

The Plan shall become effective upon the receipt of all required shareholder and regulatory approvals, being the Effective Date, and will replace the Prior Plan. All awards granted under the Prior Plan and which remain outstanding at the Effective Date will remain in full force and effect in accordance with their terms; however, following the Effective Date, no additional grants shall be made under the Prior Plan, and the Prior Plan will terminate on the date upon which no further Outstanding Options remain outstanding.

9.12 Governing Law

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

9.13 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 with respect to the grant of Options and any issuance of Shares made in accordance with the Plan.

APPENDIX "D"

EQUIRY INCENTIVE PLAN

SUN PEAK METALS CORP.

EQUITY INCENTIVE PLAN

Effective Date: March 29, 2022

Approved by the Board of
Directors on March 29, 2022.

Approved by the
Shareholders on [MONTH] [DAY], 2022.

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EQUITY INCENTIVE PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants of the Corporation and its Subsidiaries, to reward such of those Executives, Employees and Consultants as may be granted Awards under the Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Executives, Employees and Consultants to acquire Shares as long term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings:

“**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental, regulatory authority, securities commission and stock exchange having authority over the Corporation or the Plan;

“**Award**” means any Share Unit or Deferred Share Unit granted under the Plan;

“**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under the Plan and which need not be identical to any other such agreements;

“**Black-Out**” means a restriction formally imposed by the Corporation, pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Awards;

“**Board**” means the board of directors of the Corporation;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver are open for commercial business during normal banking hours;

“**Cash Fees**” has the meaning set forth in Section 5.1(a);

“**Cause**” means:

- (a) unless the applicable Award Agreement states otherwise, with respect to any Employee, Officer or Consultant:
 - (i) if such Employee, Officer or Consultant is a party to an employment or service agreement with the Corporation or any of its Subsidiaries and such agreement

provides for a definition of Cause, the definition contained therein; or

- (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the employment or service agreement of such Employee, Officer or Consultant, without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (A) the failure of the Employee, Officer or Consultant to carry out its duties properly or to comply with the rules, policies and practices of the Corporation or any of its Subsidiaries, as applicable; (B) a material breach of any agreement with the Corporation or any of its Subsidiaries, as applicable, or a material violation of any written policy of the Corporation or any of its Subsidiaries, as applicable; (C) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (D) a material fiduciary breach with respect to the Corporation or any of its Subsidiaries, as applicable; (E) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Subsidiaries; or (F) gross negligence or willful misconduct with respect to the Corporation or any of its Subsidiaries; and
- (b) with respect to any Director, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:
 - (i) gross misconduct or neglect;
 - (ii) willful conversion of corporate funds;
 - (iii) false or fraudulent misrepresentation inducing the Director's appointment; or
 - (iv) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance;

“Change of Business” has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

“Change in Control” means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any one or more of the following events:

- (a) the direct or indirect acquisition or conversion from time to time of more than 20% of the issued and outstanding Shares, in aggregate, by a Person or group of Persons acting in concert, other than through an employee share purchase plan or employee share ownership plan;
- (b) a change in the composition of the Board which results in the majority of the directors of the Corporation not being individuals nominated by the Corporation's then incumbent directors; or
- (c) a merger, amalgamation, arrangement or reorganization of the Corporation with one or more corporations as a result of which, immediately following such event, the shareholders of the Corporation as a group, as they were immediately prior to such event,

hold less than a majority of the outstanding Voting Shares of the surviving corporation;

“**Committee**” has the meaning set forth in Section 3.2;

“**Company**” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Consultant**” means:

- (a) a Person (other than an Executive or Employee) that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its Subsidiaries, other than services provided in relation to a distribution of securities (as defined under Applicable Laws);
 - (ii) provides the services under a written contract between the Corporation or any of its Subsidiaries and the individual or the Company, 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 of any of its Subsidiaries, or
- (b) an individual (other than a Director, Officer or Employee) employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;

“**Corporate Policies**” means any of the policies of the Corporation;

“**Corporation**” means Sun Peak Metals Corp.;

“**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award (which, for greater certainty, shall be no earlier than the date on which the Board meets or otherwise acts for the purpose of granting such Award) or if no such date is specified, the date upon which the Award was granted;

“**Deferred Share Unit**” or “**DSU**” means a right, granted to a Participant in accordance with ARTICLE 5, subject to the provisions of the Plan;

“**Director**” means a director (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“**Director Fees**” means any compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

“**Disabled**” or “**Disability**” means a physical injury or mental incapacity of a nature which the Plan Administrator determines prevents or would prevent the Participant from satisfactorily performing the substantial and material duties of his or her position with the Corporation or any of its Subsidiaries;

“**DSU Settlement Date**” has the meaning set forth in Section 5.5(a);

“**Effective Date**” means the date the Plan becomes effective, which shall be upon receipt of all

shareholder and regulatory approvals;

“**Elected Amount**” has the meaning set forth in Section 5.1(a);

“**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;

“**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Section 5.1(b);

“**Election Notice**” has the meaning set forth in Section 5.1(b);

“**Employee**” means an individual who:

- (a) is considered an employee of the Corporation or any of its Subsidiaries under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) works full-time for the Corporation or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or of a Subsidiary of the Corporation, as the case may be, but for whom income tax deductions are not made at source; or
- (c) works for the Corporation or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or any of its Subsidiaries;

“**Exchange**” means the TSXV and any other exchange on which the Shares are or may be listed from time to time;

“**Executive**” means an individual who is a Director or Officer;

“**Good Reason**” means any one or more of the following events occurring following a Change in Control and without the Participant’s written consent:

- (a) the Participant is placed in a position of lesser stature than its current position and, is assigned duties that would result in a material change in the nature or scope of powers, authority, functions or duties inherent in such a position immediately prior to the Change in Control;
- (b) a material decrease in the Participant’s base salary or a material decrease in the Participant’s short-term incentive grants, long-term incentive grants, benefits, vacation or other compensation;
- (c) a requirement that the Participant relocate to a location greater than 40 kilometers from the Participant’s primary work location immediately prior to the Change in Control; or
- (d) any action or event that would constitute constructive dismissal of the Participant at common law;

“Insider” means:

- (a) a Director or senior officer of the Corporation;
- (b) a Director or senior officer of a Company that is an Insider or a Subsidiary of the Corporation;
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares of the Corporation carrying more than 10% of the voting rights attached to the Voting Shares of the Corporation; or
- (d) the Corporation itself if it holds any of its own securities;

“Investor Relations Activities” has the meaning attributed thereto in Policy 1.1 – *Interpretation*, as amended from time to time, of the TSXV Manual;

“Market Price” at any date in respect of the Shares shall be the volume weighted average closing price of Shares on the TSXV for the five (5) trading days immediately preceding such date (or, if such Shares are not then listed and posted for trading on the TSXV, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board), subject to any adjustments as may be required to secure all necessary Regulatory Approvals, provided that if the Corporation is listed on an Exchange, such price shall not be less than the market price determined in accordance with the rules of such Exchange. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;

“Officer” means an officer (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“Participant” means an Executive, Employee or Consultant to whom an Award has been granted under the Plan. Notwithstanding the foregoing and any other provision of the Plan, no Person who performs Investor Relations Activities on behalf of the Corporation or a Subsidiary of the Corporation shall be a Participant;

“Participant Service Separation Date” means the date of a Participant’s death, or retirement from, or loss of office or employment with, or provision of services to, the Corporation or any of its Subsidiaries, including: (i) the voluntary resignation or retirement of a Director from the Board; or (ii) the removal of such Director from the Board whether by shareholder resolution or failure to achieve re-election;

“Performance Goals” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a Subsidiary of the Corporation, a division of the Corporation or of a Subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a Subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator;

“Performance Period” means the period specified by the Plan Administrator for achievement of any applicable Performance Goals as a condition to vesting;

“Performance Share Unit” or **“PSU”** means a right, granted to a participant in accordance with Article 4, subject to the provisions of the Plan, that generally becomes Vested, if at all, subject to the attainment

of certain Performance Goals and satisfaction of such other conditions to vesting, if any, as may be determined by the Plan Administrator;

“**Person**” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“**Personal Representative**” means: (i) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of a Participant who, for any reason, is unable to manage his or her affairs, the Person entitled by law to act on behalf of such Participant;

“**Plan**” means this Equity Incentive Plan, as may be amended from time to time;

“**Plan Administrator**” means the Board, or if the administration of the Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of the Plan or for the Awards granted from time to time hereunder;

“**Regulatory Authorities**” means all Exchanges and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation, the Plan or the Awards granted from time to time hereunder;

“**Reorganization**” has the meaning attributed thereto in Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*, as amended from time to time, of the TSXV Manual;

“**Restricted Share Unit**” or “**RSU**” means a right, granted to a Participant in accordance with ARTICLE 4, subject to the provisions of the Plan, that generally becomes Vested, if at all, following a period of continuous employment of the Participant with the Corporation or a Subsidiary of the Corporation;

“**Reverse Takeover**” has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

“**RRIF**” means a registered retirement income fund as defined in the Tax Act;

“**RRSP**” means a registered retirement savings plan as defined in the Tax Act;

“**Securities Act**” means the *Securities Act* (British Columbia, RSBC 1996, c. 418 as from time to time amended);

“**Securities Laws**” has the meaning attributed thereto in Policy 1.1 – *Interpretation*, as amended from time to time, of the TSXV Manual;

“**Security Based Compensation Arrangement**” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation’s treasury to Executives, Employees or Consultants, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan guarantee or otherwise, but for greater certainty

does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation's treasury or arrangements under which compensation arrangements are settled solely in cash and/or securities purchased on the secondary market;

“**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or after an adjustment contemplated by ARTICLE 8, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“**Share Unit**” means an RSU or a PSU, as applicable;

“**Share Unit Settlement Date**” has the meaning set forth in Section 4.4;

“**Shareholder Approval**” means approval by the Corporation's shareholders in accordance with the policies of the Exchange;

“**Subsidiary**” has the meaning attributed thereto in the Securities Act;

“**Tax Act**” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“**Termination Date**” means (i) the date designated by the Participant and the Corporation or a Subsidiary of the Corporation in a written employment agreement, or other written agreement between the Participant and Corporation or a Subsidiary of the Corporation, or (ii) if no written agreement exists, the date designated by the Corporation or a Subsidiary of the Corporation, as the case may be, on which a Participant ceases to be an employee of the Corporation or a Subsidiary of the Corporation or ceases to provide services to the Corporation or a Subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment or termination of services by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not mean the date of termination of any period of reasonable notice that the Corporation or a Subsidiary of the Corporation, as applicable, may be required by law to provide to the Participant;

“**Triggering Event**” means:

- (a) the proposed dissolution, liquidation or wind-up of the Corporation;
- (b) a proposed Change in Control;
- (c) the proposed sale or other disposition of all or substantially all of the assets of the Corporation; or
- (d) a proposed material alteration of the capital structure of the Corporation which, in the opinion of the Plan Administrator, is of such a nature that it is not practical or feasible to make adjustments to the Plan or to the Awards granted hereunder to permit the Plan and Awards granted hereunder to stay in effect;

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

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

“**Vested**” means the applicable vesting criteria, Performance Goals and/or any other conditions for settlement in relation to a whole number, or a percentage of the number of Awards determined by the Plan Administrator in connection with a grant of PSUs, RSUs or DSUs as the case may be, (i) have been met; or (ii) have been waived or deemed to have been met;

“**Vesting Date**” means the date on which the applicable vesting criteria, Performance Goals and/or any other conditions for an Award becoming Vested are met, deemed to have been met, or waived, as contemplated in the definition of “Vested”; and

“**Voting Share**” means a security of a Company that:

- (a) is not a debt security; and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of the Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section” and “clause” mean and refer to the specified Article, Section and clause of the 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 the Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to and consistent with the terms of the Plan, Applicable Laws and the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Plan will be administered by the Plan Administrator, and the Plan Administrator has sole and complete authority, in its discretion, without limitation, to:

- (a) determine the Persons who are eligible to be Participants in accordance with Section 3.4;

- (b) make grants of Awards under the Plan relating to the issuance of Shares in such amounts, to such Participants and, subject to the provisions of the Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted, including the applicable Date of Grant;
 - (ii) the conditions under which an Award or any portion thereof may be:
 - A. granted to Participants;
 - B. forfeited to the Corporation, cancelled or expired; and
 - C. Vested, including terms relating to lump sum or instalment vesting, the Performance Goals, the Performance Period and the conditions, if any, upon which vesting of an Award or a portion thereof will be waived or accelerated without any further action by the Plan Administrator;
 - (iii) the number of Shares to be covered by any Award and the terms, if any, upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
 - (iv) the consequences of a termination with respect to an Award;
 - (v) the forms of consideration, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law);
 - (vi) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis;
 - (vii) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (viii) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of the Award Agreements;
- (d) amend the terms of any Award Agreements, provided, however, that subject to the terms of the Plan, no amendment of an Award may, without the consent of the holder of such Award, adversely affect such Participant's rights with respect to such Award in any material respect;
- (e) determine whether and the extent to which any Performance Goals or other conditions applicable to the vesting of an Award have been satisfied or shall be waived or modified;

- (f) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Plan, including but not limited to:
 - (i) allowing non-Vested Awards to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or Disability;
 - (ii) providing that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) providing for the continuation of any Award for such period which is not longer than 12 months from the Termination Date or 12 months from the date of death or Disability of the Participant, and upon such terms and conditions as are determined by the Plan Administrator in the event that a Participant ceases to be an Executive, Employee or Consultant, as the case may be;
 - (iv) providing that Vested Awards may be exercised for periods longer or different from those set forth in the Plan, subject to the applicable rules of the Exchange; and
 - (v) setting any other terms for the exercise or termination of an Award upon termination of employment or service;
- (g) construe and interpret the Plan and all Award Agreements;
- (h) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Price of the Shares;
- (i) determine the number of RSUs, DSUs or PSUs, as applicable, subject to any grant of an Award;
- (j) determine the form of settlement of an Award, whether cash, Shares or a combination of cash and Shares;
- (k) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (l) determine the duration and purposes of leaves of absence from employment or engagement by the Corporation which may be granted to Participants without constituting a termination of employment or engagement for purposes of the Plan;
- (m) authorize Persons to execute such documents and instruments as may be necessary to carry out the purposes of the Plan and grants of Awards from time to time hereunder;
- (n) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan; and

- (o) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan.

3.2 **Delegation to Committee**

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by Applicable Law, the Board may, from time to time, delegate to a committee of the Corporation (the “**Committee**”), consisting of not less than two of its members, all or any of the powers conferred on the Plan Administrator pursuant to the Plan, including the power to sub-delegate to any specified Directors or Officers all or any of the powers delegated by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused ,or remove all members of the Committee and thereafter directly administer the Plan.
- (c) In the event the Board delegates to the Committee all or any of the powers conferred on the Plan Administrator pursuant to the Plan, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of the Plan in this context is final and conclusive and binding on the Corporation and all affiliates of the Corporation, all Participants and all other Persons.

3.3 **Determinations Binding**

Any decision made or action taken by the Board, 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 interpretation of the Plan is final, conclusive and binding on all affected Persons, including the Corporation and any of its Subsidiaries, the affected Participants and their Personal Representatives, any shareholder of the Corporation and all other Persons.

3.4 **Eligibility**

Subject to the discretion of the Plan Administrator, all Executives, Employees and Consultants are eligible to participate in the Plan. Notwithstanding the foregoing and any other provision of the Plan, no Person who performs Investor Relations Activities on behalf of the Corporation or a Subsidiary of the Corporation shall be a Participant. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Executive, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. In addition, in order to be eligible to receive Awards, in the case of Employees and Consultants, the Award Agreement to which they are a party must contain a representation of the Corporation and of such Employee or Consultant, as the case may be, that such Employee or Consultant is a bona fide Employee or Consultant of the Corporation or a Subsidiary of the Corporation, as the case may be.

3.5 **Board Requirements**

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Applicable Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having

jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Liability Limitation and Indemnification

No member of the Board or the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award Agreement or any Award granted hereunder.

3.7 Total Shares Subject to Awards

Subject to adjustment pursuant to ARTICLE 8, the number of Shares hereby reserved for issuance to Participants under the Plan shall not exceed 8,709,863 Shares or such greater number of Shares as shall have been duly approved by the Board, by the shareholders of the Corporation, and by the Exchange on which the Shares are then listed. Any Shares subject to an Award which has been granted under the Plan and which has been settled in cash, cancelled, terminated, surrendered, forfeited or expired without having been settled through the issuance of Shares as provided for in the Plan shall again be available under the Plan. To the extent that any Share Units that may be paid out in cash or Shares or a combination thereof are paid out in cash, then the Shares that were potentially issuable in respect of such Awards shall again be available under the Plan. For greater certainty, any Awards which may only be paid out in cash shall not be subject to this Section 3.7.

3.8 Limits on Awards

Notwithstanding anything in the Plan, if the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Awards thereunder so long as such limitations are required by the TSXV:

- (a) unless disinterested Shareholder Approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV):
 - (i) the maximum number of Shares that may be issued to any one Participant (and where permitted pursuant to the policies of the TSXV, any Company that is wholly-owned by the Participant) under the Plan, together with all of the Corporation's other Security Based Compensation Arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Date of Grant;
 - (ii) the maximum number of Shares that may be issued to Insiders (as a group) under the Plan, together with all of the Corporation's other Security Based Compensation Arrangements, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Date of Grant; and
 - (iii) the maximum number of Shares that may be issued to Insiders (as a group) under the Plan, together with all of the Corporation's other Security Based Compensation Arrangements, may not exceed 10% of the issued Shares at any time;

- (b) the maximum number of Shares that may be issued to any one Consultant under the Plan, together with all of the Corporation's other Security Based Compensation Arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the Date of Grant;
- (c) no Awards may be granted under the Plan to Persons retained to provide Investor Relations Activities on behalf of the Corporation or a Subsidiary of the Corporation; and
- (d) any Awards granted to a Participant who ceases to be a Participant under the Plan for any reason whatsoever, shall terminate at a date no later than 12 months from the date such Participant ceases to be a Participant under the Plan.

3.9 Award Agreements

Each Award under the Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of the Plan and will contain such provisions as are required by the Plan and any other provisions that the Plan Administrator may direct.

3.10 Non-transferability of Awards

Except to the extent that certain rights may pass to a beneficiary or a Personal Representative upon death of a Participant by will or as required by law, no Award is assignable or transferable.

3.11 Resale Restrictions

Any Shares issued by the Corporation upon exercise or settlement of an Award are subject to any resale and trading restrictions in effect pursuant to Applicable Laws and the policies of the Exchange, and the Corporation shall be entitled to place any restriction or legend on any certificates representing such Shares accordingly.

ARTICLE 4 SHARE UNITS

4.1 Granting of Share Units

The Plan Administrator may, from time to time, subject to Corporate Policies, the provisions of the Plan and such other terms and conditions as the Plan Administrator may grant Share Units to any Participant, and in doing so, may, without limitation, in its discretion, (a) designate the Participants who may receive Share Units under the Plan, (b) fix the number and type of Share Units, if any, to be granted to each Participant and the date or dates on which such Share Units shall be granted, (c) determine the relevant conditions and vesting provisions (including Performance Goals, if any, and the Performance Period) in respect of any Share Units, and (d) determine the vesting schedule of the Share Units.

4.2 Share Unit Account

All Share Units 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. The terms and conditions of each Share Unit grant shall be evidenced by an Award Agreement.

4.3 Vesting of Share Units

- (a) For each Share Unit grant, subject to Corporate Policies and the provisions of the Plan, the Plan Administrator shall establish, as applicable, the vesting schedule, the Performance Period, the Performance Goals and other vesting conditions which must be met in order for the Share Units to be deemed Vested.
- (b) Notwithstanding Section 4.3(a), the Vesting Date of a Share Unit shall not be prior to the first anniversary of the Date of Grant, other than in the event a Participant ceases to be a Participant due to death of the Participant or in connection with a Change in Control, as set out more particularly in Sections 7.3 and 8.1, respectively.

4.4 Settlement of Vested Share Units

Subject to Section 6.2 and ARTICLE 7, on or within 60 days following the Vesting Date of a Share Unit, unless otherwise determined by the Plan Administrator or specified in the applicable Award Agreement, and in any event no later than three years following the end of the year of the Date of Grant (the “**Share Unit Settlement Date**”), or such other shorter term as may be required in respect of an Award so that such Award does not constitute a “salary deferral arrangement” as defined in Section 248(1) of the Tax Act, the Corporation shall settle each Vested Share Unit by any of the following methods or by a combination of such methods as determined by the Plan Administrator in its discretion, subject to any necessary Exchange approvals:

- (a) issuing the Participant one (1) fully paid and non-assessable Share from treasury for each Vested Share Unit and delivering a share certificate to the Participant representing the amount thereof (or in the case of Shares issued in uncertificated form, causing the issuance of the aggregate number of Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation); or
- (b) making a cash payment to the Participant, which shall be calculated by multiplying the number of Vested Share Units to be redeemed for cash by the Market Price Per Share as at the Share Unit Settlement Date, net of applicable withholding taxes. Cash payment may be made through the Corporation’s payroll in the pay period that the Share Unit Settlement Date falls within.

For greater certainty, nothing in this Section 4.4 shall cause Share Units which have not Vested to vest by the Share Unit Settlement Date if such Share Units would not have otherwise Vested pursuant to the terms of the Award Agreement or the Plan Administrator’s determinations.

A holder of Share Units shall not have any right to demand, to be paid in, or receive any specific allocation of Shares or a cash payment in respect of a Vested Share Unit at any time. Notwithstanding any allocation by the Plan Administrator to settle Vested Share Units, or a portion thereof, in Shares or make a cash payment therefore, the Corporation reserves the right to change its allocation in respect thereof at any time up until payment is actually made, and the holder of such Vested Share Units shall not have the right, at any time to enforce settlement as to the allocation of Shares or cash payment.

The Share Units in respect of which Shares are issued or a cash payment is made shall be cancelled and no further issuances or payments shall be made to the Participant under the Plan in relation to such Share Units.

ARTICLE 5
DEFERRED SHARE UNITS

5.1 Granting of DSUs to Directors for Director Fees

- (a) Subject to Corporate Policies, the Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.1(b) to participate in the grant of additional DSUs pursuant to this Section 5.1. The Board shall have the right, in its sole discretion, to accept or reject such request, in whole or in part, which acceptance or rejection shall be binding on the Electing Person for the applicable year. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this ARTICLE 5.1 and whose request is accepted by the Board shall receive their accepted Elected Amount 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 as provided by the Corporation (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by the end of the fiscal year preceding the fiscal year to which such election is to apply; and (ii) in the case of a newly appointed Electing Person, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, or if the Corporation rejects the election request in its entirety, the Electing Person shall be paid the entire amount of his or her Elected Amount in cash.
- (c) The number of DSUs (including fractional DSUs) granted to an Electing Person at any particular time pursuant to this Section 5.1 will be calculated by dividing (a) the amount of any Director Fees that are to be paid in DSUs (including any Elected Amount), by (b) the Market Price of a Share on the Date of Grant.

5.2 Granting of DSUs to Participants

In addition to DSUs granted pursuant to Section 5.1, the Plan Administrator may, from time to time, subject to Corporate Policies, the provisions of the Plan and such other terms and conditions as the Plan Administrator may determine, grant DSUs to any Participant, and, in doing so, may, without limitation, in its discretion, (a) designate the Participants who may receive DSUs under the Plan, (b) fix the number of DSUs, if any, to be granted to each Participant and the date or dates on which such DSUs shall be granted, (c) determine the relevant conditions and vesting provisions (including Performance Goals, if any, and the Performance Period), and (d) the vesting schedule of the DSUs.

5.3 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. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

5.4 Vesting of DSUs

The Vesting Date of a DSU shall not be prior to the first anniversary of the Date of Grant, other than:

- (a) in the event a Participant ceases to be a Participant due to death of the Participant as set out in Section 7.3; and
- (b) in the event a Participant ceases to be a Participant in connection with a Change in Control, as set out more particularly in Section 8.1.

5.5 Settlement of Vested DSUs

- (a) Subject to Section 6.2 and ARTICLE 7, each Vested DSU shall be settled on the date established in the Award Agreement; provided, however that in no event shall a DSU Award be settled:
 - (i) prior to the Participant Service Separation Date; or
 - (ii) later than 12 months following the Participant Service Separation Date.

If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the Participant Service Separation Date (the “**DSU Settlement Date**”).

- (b) On the DSU Settlement Date, the Corporation shall settle each Vested DSU by any of the following methods or by a combination of such methods as determined by the Plan Administrator in its discretion (subject to any necessary Exchange approvals):
 - (i) issuing the Participant one (1) fully paid and non-assessable Share from treasury for each Vested DSU and delivering a Share certificate to the Participant representing the amount thereof (or in the case of Shares issued in uncertificated form, causing the issuance of the aggregate number of Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation); or
 - (ii) making a cash payment to the Participant, which shall be calculated by multiplying the number of Vested DSUs to be redeemed for cash by the Market Price Per Share as at the DSU Settlement Date, net of any applicable withholding taxes. Cash payment may be made through the Corporation’s payroll in the pay period that the DSU Settlement Date falls within or via cheque.

A holder of DSUs shall not have any right to demand, to be paid in or receive any specific allocation of Shares or a cash payment in respect of a Vested DSU at any time. Notwithstanding any allocation by the Plan Administrator to settle Vested DSUs, or portion thereof, in Shares or make a cash payment therefore, the Corporation reserves the right to change its allocation in respect thereof at any time up until payment is actually made, and the holder of such Vested DSUs shall not have the right at any time to enforce settlement as to the allocation of Shares or cash payment.

The DSUs in respect of which Shares are issued or a cash payment is made shall be cancelled, and no further issuances or payments shall be made to the Participant under the Plan in relation to such DSUs.

ARTICLE 6
ADDITIONAL AWARD TERMS

6.1 Dividend Equivalents

- (a) Subject to the terms and conditions of the Plan, the Plan Administrator, may, in its discretion, credit outstanding Share Units and DSUs with dividend equivalents in the form of additional Share Units and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of Share Units and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's accounts shall vest in proportion to the Share Units and DSUs to which they relate, and shall be settled in accordance with Sections 4.4 and 5.5, respectively. Where the proposed issuance of Shares by the Corporation would result in the limits contained in Sections 3.7 or 3.8 being exceeded, the dividend equivalents which have vested in proportion to the Share Units and DSUs to which they relate shall instead be settled in cash in accordance with Sections 4.4(b) and 5.5(b)(ii), respectively.
- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares, and nothing in the Plan shall be interpreted as creating such an obligation.

6.2 Black-Out Period

If a settlement date for an Award occurs during the Black-Out period, then, notwithstanding any other provision of the Plan, the Award shall be settled no more than ten Business Days after the date the Black-Out is lifted by the Corporation, unless the delayed expiration would result in tax penalties or the Participant or the Corporation is subject to a cease trade order in respect of the Corporation's securities.

6.3 Withholding Taxes

The granting, vesting or settlement of each Award under the Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or a Subsidiary of the Corporation is obliged to remit to the relevant taxing authority in respect of the granting, vesting 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 of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or a Subsidiary of the Corporation to the Participant, (b) require the sale of a number of Shares issued upon exercise, vesting or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount or (c) enter into any other suitable arrangements for the receipt of such amount. For greater certainty, the application of this Section 6.3 to any granting, vesting or settlement of an Award shall not conflict with the policies of the Exchange that are in effect at the relevant time and the Corporation will obtain prior Exchange acceptance and/or shareholder approval

of any application of this Section 6.3 if required pursuant to such policies.

Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Awards granted under the Plan, whether arising as a result of the grant or payment in respect of the Award or otherwise. The Corporation, the Plan Administrator and the Board make no guarantees to any Person regarding the tax treatment of an Award or issuances of Shares or cash payments made under the Plan and none of the Corporation, the Board, the Plan Administrator or any of the Executives, Employees, Consultants, agents, advisors or representatives of the Corporation or the Subsidiary of the Corporation shall have any liability to a Participant with respect thereto.

6.4 Compliance with the Tax Act

The terms and conditions applicable to any Award (or portion thereof) granted to a Participant who is subject to taxation under the Tax Act are intended to comply with the Tax Act. Without limiting the foregoing,

- (a) the terms of any such Award (or portion thereof) permitting the deferral of payment or other settlement thereof shall be subject to such requirements and shall be administered in such manner as the Plan Administrator may determine to be necessary or appropriate to comply with the applicable provisions of the Tax Act; and
- (b) any elections allowed to be exercised by a Participant shall be deemed to be void or shall be deemed amended or altered so as not to cause the Award to be considered a “salary deferral arrangement” under the Tax Act, as defined in Section 248(1) of the Tax Act, or create adverse tax consequences under the Tax Act.

6.5 Recoupment

Notwithstanding any other terms of the Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or a Subsidiary of the Corporation and in effect at the Date of Grant of the Award, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 6.5 to any Participant or category of Participants.

6.6 No Other Benefit

- (a) 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 Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
- (b) The Corporation makes no representations or warranties to Participants with respect to the Plan or any Awards whatsoever. Participants are expressly advised that the value of any Awards issued pursuant to the Plan will fluctuate as the trading price of the Shares fluctuates.
- (c) In seeking the benefits of participation in the Plan, the Participant shall exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of any Awards.

ARTICLE 7
TERMINATION OF EMPLOYMENT OR SERVICES

7.1 Termination of Participant

Subject to ARTICLE 8 and unless otherwise determined by the Plan Administrator or as set forth in an Award Agreement:

- (a) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, then each Award held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. The Plan Administrator, in its discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause. In addition, where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, the Plan Administrator may, in its discretion, determine that all Awards held by the Participant that have Vested as of the Termination Date shall immediately become forfeited, cancelled, null and void, failing which, all Awards held by the Participant that have Vested as of the Termination Date shall be settled in accordance with Sections 4.4 and 5.5, as applicable, at any time during the period that terminates on the earlier of: (i) a date determined by the Plan Administrator in its discretion; and (ii) the first anniversary of the Termination Date. Any Award that remains unexercised shall be immediately forfeited upon the termination of such period;
- (b) where a Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, then each Award held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. All Awards held by the Participant that have Vested as of the Termination Date shall be settled in accordance with Sections 4.4 and 5.5, as applicable, at any time during the period that terminates on the earlier of: (i) a date determined by the Plan Administrator in its discretion; and (ii) the first anniversary of the Termination Date. Any Award that remains unexercised shall be immediately forfeited upon the termination of such period;
- (c) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice); then:
 - (i) a portion of any Awards held by the Participant that are not yet Vested shall immediately vest, with such portion to be equal to the number of unvested Awards multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date the unvested Awards were originally scheduled to vest. For clarity and by way of example, if a Participant's employment is terminated 400 days following the Date of Grant and unvested Awards were originally scheduled to vest 600 days from the Date of Grant, two-thirds of the unvested Awards will immediately vest;

- (ii) subject to Section 7.1(c)(i), any Awards held by the Participant that are not yet Vested at the Termination Date after the application of Section 7.1(c)(i) shall be immediately forfeited to the Corporation; and
- (iii) any Awards held by the Participant that have Vested as of the Termination Date or Vested pursuant to Section 7.1(c)(i) shall be settled in accordance with Sections 4.4 and 5.5, as applicable, at any time during the period that terminates on the earlier of: (i) a date determined by the Plan Administrator in its discretion; and (ii) the first anniversary of the Termination Date. Any Award that remains unexercised shall be immediately forfeited upon the termination of such period;
- (d) notwithstanding that such date may be prior to the Termination Date, a Participant's eligibility to receive further grants of Awards under the Plan ceases as of the date that: (i) the Corporation or a Subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment or services are terminated in the circumstances contemplated by this Section 7.1, or (ii) the Participant provides the Corporation or a Subsidiary of the Corporation, as the case may be, with written notification of the Participant's voluntary resignation;
- (e) unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Awards shall not be affected by a change of employment agreement or arrangement, or directorship within or among the Corporation or a Subsidiary of the Corporation for so long as the Participant continues to be an Executive, Employee or Consultant, as applicable, of the Corporation or a Subsidiary of the Corporation.

7.2 Leave of Absence

If a Participant is on sick leave or other bona fide leave of absence, such Participant shall continue to be deemed a "Participant" for the purposes of an outstanding Award during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Plan Administrator in its discretion). If the period of leave exceeds 90 days (or such longer period as may be determined by the Plan Administrator in its discretion), the relationship shall be deemed to have been terminated by the Participant voluntarily on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Plan Administrator) of such leave, unless the Participant's right to reemployment or reengagement of services with the Corporation or a Subsidiary of the Corporation, as applicable, is guaranteed by statute or contract.

7.3 Death or Disability

Where a Participant's employment or services are terminated by reason of the death of the Participant or the Participant becomes Disabled, then each Award held by the Participant that has not Vested as of the date of the death or Disability, as applicable, of such Participant shall vest on such date, and be settled in accordance with Sections 4.4 and 5.5, as applicable, at any time during the period that terminates on the first anniversary of the date of the death or Disability of the Participant. Any Award that remains unexercised shall be immediately forfeited upon the termination of such period. A Participant's eligibility to receive further grants of Awards under the Plan ceases as of the date of the death or Disability of the Participant.

7.4 Discretion to Permit Acceleration

Notwithstanding the provisions of this ARTICLE 7, subject to Section 4.3(b) and Section 5.4 and any necessary

Regulatory Approvals, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in ARTICLE 7, permit the acceleration of vesting of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator, and if such discretion is taken and the vesting of any or all Awards occurs, then such Awards will be settled in accordance with Sections 4.4 and 5.5, as applicable.

ARTICLE 8 EVENTS AFFECTING THE CORPORATION

8.1 Change in Control

Except as may be set forth in an employment agreement or other written agreement between the Corporation or a Subsidiary of the Corporation and the Participant and subject to any necessary Regulatory Approvals:

- (a) Unless determined otherwise by the Plan Administrator, if within 12 months following the completion of a transaction resulting in a Change in Control, (i) a Participant's employment or directorship is terminated by the Corporation or a Subsidiary of the Corporation without Cause or (ii) a Participant resigns for Good Reason, without any action by the Plan Administrator, the vesting of all Awards held by such Participant shall immediately accelerate and vest on the date of such Participant's termination or resignation for Good Reason and the Corporation shall settle such Awards in accordance with Section 4.4 and 5.5, as applicable, provided that in the event that any Awards are subject to the satisfaction of Performance Goals, then the vesting of such Awards shall accelerate and vest only to the extent that such Performance Goals have been satisfied, and further provided that if the Performance Goals are, in the Plan Administrator's discretion, capable of being partially performed, then vesting shall be accelerated on a pro rata basis to reflect the degree to which such Performance Goals have been satisfied, as determined solely by the Plan Administrator.
- (b) Notwithstanding Section 8.1(a), the Plan Administrator may, without the consent of any Participant, and subject to prior TSXV acceptance, as applicable, take such steps as it deems necessary or desirable in connection with a Change in Control, including, without limitation, to cause: (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become realizable, or payable; (iii) restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iv) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (v) the replacement of such Award with other rights or property selected by the Board in its discretion; or (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 8.1(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction.

8.2 Triggering Events

Subject to any necessary Regulatory Approvals and notwithstanding any other provisions of the Plan or any Award Agreement, the Plan Administrator may, without the consent of the Participant in question cause all or a portion of any of the Awards granted under the Plan to terminate upon the occurrence of a Triggering Event, provided that the Corporation must give written notice to the Participant in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Participant the opportunity to exercise the Vested portion of the Awards prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Awards or portions thereof granted under the Plan which the Corporation proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Awards may have otherwise been subject.

8.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control, or in the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control, that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator may, subject to prior TSXV acceptance, authorize such steps to be taken as it may consider to be equitable and appropriate to that end, including, but not limited to, permitting the immediate vesting of any unvested Awards.

8.4 Assumptions of Awards in Acquisitions

Notwithstanding any other provision of the Plan, in connection with a Reverse Takeover, a Change of Business, a Reorganization or an acquisition pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSXV Manual, subject to prior TSXV acceptance, security based compensation of a target Company may be cancelled and replaced with substantially equivalent Awards under the Plan without shareholder approval, provided that: (a) the number of Shares issuable pursuant to the Awards (and their applicable exercise or subscription price) is adjusted in accordance with the share exchange ratio applicable to the particular transaction, regardless of whether the adjusted exercise price is below the current Market Price; and (b) any other applicable policies of the TSXV have been complied with.

8.5 No Restriction on Action

The existence of the Plan and of any Awards granted hereunder shall not affect, limit or restrict in any way the right or power of the Corporation, the Board or the Corporation's shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise. No Participant or any other Person shall have any claim against any member of the Committee or the Corporation or any Employees, Officers or agents of the Corporation as a result of any such action.

8.6 Issue by Corporation of Additional Shares

Except as expressly provided in this ARTICLE 8, 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 Shares that may be acquired as a result of a grant of Awards.

8.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this ARTICLE 8 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares (rounded down to the nearest whole number) and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 9 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

9.1 Amendment, Suspension, or Termination of the Plan

Subject to any Regulatory Approvals, including, where required, the approval of the TSXV, and to Section 9.2, the Plan Administrator may, from time to time, without notice to or approval of the Participants or of the shareholders 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 rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any Applicable Laws or Exchange requirements or as otherwise set out in the Plan.

9.2 Shareholder Approval

Notwithstanding Section 9.1 and subject to any rules of the Exchange, if the Corporation is listed on the TSXV, the approval of shareholders of the Corporation shall be required for any amendment to the Plan except for the following:

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

ARTICLE 10 MISCELLANEOUS

10.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

10.2 **Rights of Participant**

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Executive, Employee or Consultant of the Corporation or a Subsidiary of the Corporation. Neither the Participant nor such Participant's Personal Representatives shall have any rights whatsoever as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant or the liquidator, executor or administrator, as the case may be, of the estate of such Participant, of certificates representing such Shares (or in the case of Shares issued in uncertificated form, receipt of evidence of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation).

10.3 **Conflict**

In the event of any conflict between the provisions of the Plan and the provisions of an Award Agreement, an employment agreement or another written agreement between the Corporation or a Subsidiary of the Corporation and a Participant, the provisions of the Plan shall govern.

10.4 **Anti-Hedging Policy**

By accepting the 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.

10.5 **No Guarantee of Tax Consequences**

Neither the Plan Administrator nor the Corporation makes any commitment or guarantee that any specific tax treatment will apply or be available to the Participants.

10.6 **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.

10.7 **Participation in the Plan**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant.

10.8 **Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation and its affiliates.

10.9 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.

10.10 Notices

All written notices to be given by the Participant to the Corporation shall be delivered by (a) hand or courier, with all fees and postage prepaid, addressed using the information specified below, or designated otherwise by the Corporation in writing; or (b) email to the email address that the parties regularly use to correspond with one another or to any other email address specified by the Corporation in writing to the Participant:

Sun Peak Metals Corp.
1 - 15782 Marine Drive
White Rock, BC, V4B 1E6

Attention: Corporate Secretary

Such notices are, if delivered by hand or by courier, deemed to have been given by the sender and received by the addressee at the time of delivery. Any notice sent by email will be deemed to have been given by the sender and received by the addressee on the first Business Day after it was transmitted. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

10.11 Effective Date and Replacement

The Plan shall become effective upon the receipt of all required shareholder and regulatory approvals, being the Effective Date.

10.12 Governing Law

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

10.13 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 with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.