

SCHEDULE A – STOCK OPTION PLAN

ALTIUS MINERALS CORPORATION STOCK OPTION PLAN

1. Purpose of the Plan

The purpose of this Plan, as amended or varied from time to time, is to provide the Participants with an opportunity to purchase Common Shares of the Corporation and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

2. Defined Terms

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

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

“**Committee**” means any committee established by the Board from time to time for the purpose of administering this Plan;

“**Common Shares**” means the Common Shares of the Corporation or, in the event of an adjustment contemplated by Article 9 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;

“**Corporation**” means Altius Minerals Corporation, and includes any successor corporation thereto;

“**Exchange**” means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on such exchange, any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body or trading system having jurisdiction as may be selected for such purpose by the Board;

“**Exercise Notice**” means the notice in writing signed by the Participant or the Participant’s legal personal representative(s) addressed to the Corporation specifying an intention to exercise all or a portion of an Option;

“**Expiry Time**” means the time at which an Option will expire, being 5:00 p.m. (Newfoundland & Labrador time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;

“**Insider**” has the meaning ascribed thereto in the Toronto Stock Exchange Company Manual, as amended from time to time;

“**Market Price**” per Common Share at any date shall mean the volume weighted average trading price of the Common Shares on the Exchange for the 5 trading days prior to the relevant date (or, such other price required by the Exchange). If the Common Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion;

“**Option**” means an option to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;



“**Option Price**” means the price per share at which Common Shares may be purchased under an Option, as the same may be adjusted herein;

“**Participants**” means the directors, officers, employees and other Service Providers of the Corporation or its Subsidiaries;

“**Permanent Disability**” means the mental or physical state of a Participant whereby such person has to a substantial degree been unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his obligations as a director, officer, employee or Service Provider of the Corporation either for any consecutive four (4) month period or for any period of six (6) months (whether or not consecutive) in any consecutive twelve (12) month period, and the Corporation has certified the same in writing, or a court of competent jurisdiction has declared the Participant to be mentally incompetent or incapable of managing his affairs;

“**Plan**” means this Stock Option Plan of the Corporation, as the same may be amended or varied from time to time;

“**Service Provider**” means:

- a. an employee or Insider of the Corporation or any of its Subsidiaries, or
- b. any other person or company engaged to provide ongoing management or consulting services for the Corporation or any of its Subsidiaries;

“**Subsidiary**” means any body corporate that is a subsidiary of the Corporation, as such term is defined under the *Corporations Act* (Newfoundland and Labrador), as such provision is from time to time amended, varied or re-enacted;

“**Take-over Bid**” has the meaning ascribed thereto in the *Securities Act* (Newfoundland and Labrador), as such provision is from time to time amended, varied or re-enacted; and

“**Withholding Obligations**” has the meaning ascribed thereto in paragraph 18(a) of this Plan.

3. Administration of the Plan

The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: the Participants to whom, and the time or times at which, the Options will be granted; the number of Common Shares which shall be the subject of each Option; any vesting provisions attaching to the Option; and the terms and provisions of the respective stock option agreements, provided, however, that each Participant shall have the right not to participate in the Plan and any decision not to participate shall not affect the Participant’s employment by, or engagement with, the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent, confirm and provide evidence of such eligibility as may be required.

4. Granting of Options

Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

Subject to adjustment as provided in Article 9 hereof, the aggregate number of authorized but unissued Common Shares of the Corporation allocated and made available to be granted to Participants under the Plan, together with any authorized but unissued Common Shares reserved but unissued under any previous stock option plan and any other share compensation arrangement of the Corporation, shall not exceed five



(5%) percent (on a non-diluted basis) of the outstanding Common Shares at any time. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

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

Any grant of Options under the Plan shall be subject to the following limitations:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options outstanding at any time may not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis);
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant and pursuant to other share compensation arrangements may not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis);
- (c) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to Insiders and pursuant to other share compensation arrangements may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis);
- (d) the issuance of Common Shares to Insiders pursuant to the Plan and other share compensation arrangements within a one-year period may not exceed 10% of the outstanding Common Shares (on a non-diluted basis); and
- (e) the issuance of Common Shares to any one Insider and such Insider's associates within a one-year period pursuant to the Plan and other share compensation arrangements may not exceed 5% of the outstanding Common Shares (on a non-diluted basis).

All Options granted pursuant to this Plan shall be subject to the rules and policies of the Exchange and any other regulatory body having jurisdiction.

5. Option Price

Subject to any applicable Exchange approval, the Board shall fix the Option Price at the time the Option is granted to a Participant. In no event shall the Option Price be less than the Market Price at the date of grant.

6. Term of Option

The term of the Option shall be a period of time fixed by the Board, not to exceed the maximum period of time permitted by the Exchange and, unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose or as may be required by the Exchange or under applicable securities laws.

Each Option and all rights thereunder shall be expressed to expire at the relevant Expiry Time, but shall be subject to earlier termination in accordance with any stock option agreement entered into hereunder or in accordance with Article 12 hereof.

Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term during which a Participant may exercise Options or a portion thereof.



7. Exercise of Option

Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery to the Corporation's principal office in St. John's, Newfoundland and Labrador, of the Exercise Notice. The Exercise Notice shall; (i) state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, (ii) specify the number of Common Shares in respect of which the Option is then being exercised, (iii) subject to Article 8 hereof, be accompanied by the full Option Price of the Common Shares which are the subject of the exercise and (iv) to the extent that Article 18 hereof applies, be accompanied by the amount necessary to permit the Corporation to remit any withholding taxes to any governmental authority pursuant to paragraph 18(a)(i) hereof. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

8. Cashless Exercise

Subject to Article 18 hereof and any other provision of the Plan and the terms of any stock option agreement, a Participant may elect to exercise an Option or a portion thereof held by the Participant by surrendering such Option or a portion thereof in exchange for the issuance of that number of Common Shares having a fair market value equal to the amount by which (i) the product of the number of Common Shares issuable upon the exercise of such Option multiplied by the Market Price of the Common Shares (as at the date of exercise) underlying such Option exceeds (ii) the aggregate Option Price for all of the Options being exercised. Options may be exercised pursuant to this Article 8 from time to time by delivery to the Corporation's principal office in St. John's, Newfoundland and Labrador, of the Exercise Notice specifying that the Participant has elected a cashless exercise of such Options and the number of Options to be exercised. The Corporation will not be required, upon the exercise of any Options pursuant to this Article 8, to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. In lieu of fractional Common Shares, there will be paid to the Participant by the Corporation upon the exercise of such Options pursuant to this Article 8 within ten (10) business days after the exercise date, an amount in lawful money of Canada equal to the then fair market value of such fractional interest (as determined by the Committee), provided that the Corporation will not be required to make any payment, calculated as aforesaid, that is less than \$10.00. Upon exercise of the foregoing, the number of Common Shares actually issued shall be deducted from the number of Common Shares reserved with the Exchange for the future issuance under the Plan and the balance of the Common Shares that were issuable pursuant to the Options so surrendered shall be considered to have been cancelled and available for further issuance.

9. Adjustments in Shares

If the outstanding Common Shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised Options or portions thereof, and as regards Options which may be granted subsequent to any such change in the Corporation's capital.

Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

10. Accelerated Vesting

In the event that certain events such as a Take-over Bid, liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, amalgamation, merger or consolidation of the Corporation with one or more entities, as a result of which the Corporation is not the surviving entity, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or stock option agreements issued hereunder (a) exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such



terms as the Board sees fit at that time, and (b) in the event of an acceleration of vesting as referred to in (a), exercise its discretion, by way of resolution, to cause the Options to terminate after the end of the period of accelerated vesting on such terms as the Board sees fit at that time, even if such termination of the Options is prior to the normal Expiry Time of the Options. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board, and within the time period specified by the Board, which shall not extend past the Expiry Time.

In addition to the above, an Option may provide for acceleration of the vesting provisions contained therein upon other events of change of control of the Corporation, on such terms as the Board determines in its sole discretion at the time of the grant of the Option.

Where the accelerated vesting provisions of this Article 10 apply, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the fair market value of the securities to which the Participant would be entitled upon exercise of all unexercised Options.

11. Decisions of the Board

All decisions and interpretations of the Board respecting the Plan or Options granted hereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and Service Providers of the Corporation who are eligible to participate under the Plan.

12. Ceasing to be a Director, Officer, Employee or Service Provider

Subject to the terms of the applicable stock option agreement, in the event of the Participant ceasing to be a director, officer, employee or Service Provider of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant or the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of the Expiry Time and a date that is ninety (90) days following the effective date of such notice of resignation or retirement or a date that is ninety (90) days following the date notice of termination of employment is given by the Corporation or a Subsidiary, subject to such shorter period as may be otherwise specified in a stock option agreement, whether such termination is with or without reasonable notice, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.

Notwithstanding the foregoing, in the event of termination for cause, such Option shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

In the event of the death of a Participant on or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representative(s) of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is one (1) year from the date of death of the Participant, subject to such shorter period as may be otherwise



specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

In the event of the Permanent Disability of a Participant on or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representative(s) of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is six (6) months from the date of Permanent Disability of the Participant, subject to such shorter period as may be otherwise specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any Subsidiary.

13. Transferability

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

14. Amendment or Discontinuance of Plan

The Board may amend or discontinue the Plan at any time without the consent of the Participants, provided that such amendment shall not alter or impair any Option previously granted under the Plan except as permitted herein, and that such amendment or discontinuance has been approved by the Exchange, and where necessary, by the shareholders.

15. Participants' Rights

A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares, upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any contract of employment with the Corporation or any Subsidiary.

16. Approvals

This Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

17. Government Regulation

The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and the obtaining of all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;



- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

18. Withholding Taxes

- (a) If, in connection with the exercise by a Participant of an Option or a portion thereof in accordance with the provisions of Article 7 or Article 8 hereof, the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of any stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Common Shares on exercise of Options (“**Withholding Obligations**”), then the Participant shall, in addition to the payment of the Option Price pursuant to Article 7 hereof or the surrendering of an Option or a portion thereof pursuant to Article 8 hereof:
 - (i) pay to the Corporation sufficient cash as is reasonably determined by the Corporation to be the amount necessary to satisfy the Withholding Obligations; or
 - (ii) make other arrangements acceptable to the Corporation to fund the Withholding Obligations.
- (b) It is the responsibility of the Participants to ensure that they adhere to tax legislation in their jurisdiction regarding the reporting of benefits derived from the exercise of Options.
- (c) In the event any taxation authority should reassess the Corporation for failure to have withheld income tax, or other similar payments from a Participant, pursuant to the provisions herein, the Participant shall reimburse and save harmless the Corporation for the entire amount assessed, including penalties, interest and other charges.

19. Costs

The Corporation shall pay all costs of administering the Plan.

20. Interpretation

This Plan shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador.

21. Compliance with Applicable Law

If any provision of the Plan or the grant or exercise of any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

22. Effective Date of Plan

The Plan has been adopted by the Board subject to the approval of the shareholders of the Corporation and, if so approved, the Plan shall become effective as of the date of adoption of the Plan by the shareholders of the Corporation.

