

MKANGO RESOURCES LTD.

AMENDED AND RESTATED STOCK OPTION PLAN

Approved on October 4, 2022, amended on September 14, 2023

1. PURPOSE OF THE PLAN

The purpose of the Plan is to assist Mkango Resources Ltd. (the “**Corporation**”) in attracting, retaining and motivating directors, key officers, employees and consultants of the Corporation and of its subsidiaries and to closely align the personal interests of such directors, officers, employees and consultants with those of the shareholders by providing them with the opportunity, through options, to acquire common shares of the Corporation. Any reference herein to a consultant shall include any natural person consulting to the Corporation pursuant to a consulting agreement for the delivery of their services to the Corporation and any reference to the terms of such consultant’s agreement with the Corporation shall be a reference to the terms of such agreement.

2. IMPLEMENTATION

The grant and exercise of any options under the Plan are subject to compliance with the applicable requirements of each stock exchange on which the shares of the Corporation are or become listed and of any governmental authority or regulatory body to which the Corporation is subject.

3. ADMINISTRATION

The Plan shall be administered by the board of directors of the Corporation which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan. The board of directors may delegate any or all of its authority with respect to the administration of the Plan and any or all of the rights, powers and discretions with respect to the Plan granted to it under this Plan to such committee of directors of the Corporation as the board of directors may designate. Upon any such delegation the committee of directors, as the case may be, as well as the board of directors, shall be entitled to exercise any or all of such authority, rights, powers and discretions with respect to the Plan. When used in the context of this Plan “board of directors” shall be deemed to include any committee of directors acting on behalf of the board of directors.

4. NUMBER OF SHARES UNDER PLAN

4.1 If and for so long as the Common Shares are listed on the TSX Venture Exchange (the “**Exchange**”), the number of common shares of the Corporation which may be issuable under the Plan, in combination with the aggregate number of common shares of the Corporation issuable under any other stock option plan, employee stock purchase plan, restricted share unit plan or any other compensation or incentive mechanism involving the issuance or potential issuance of common shares of the Corporation (each, a “**Share Compensation Arrangement**”) shall be limited to ten percent (10%) of the issued and outstanding common shares of the Corporation, calculated as at the date of grant (on a non-diluted basis) (the “**Optioned Shares**”). The Corporation currently has a separate restricted share unit plan that is a “fixed Stock Option Plan up to 10%” (as such term is defined in the TSX Venture Exchange Corporate Finance Manual) and permits the issuance of restricted share units (“**RSUs**”) issuable for up to 15,000,000 Shares, provided that in no case can Options or RSUs be issued or granted under all Share Compensation Arrangements that would require the issuance of more than ten percent (10%) of the issued and outstanding Common Shares of the Corporation at the date of grant.

4.2 If and for so long as the Common Shares are listed on the Exchange, the number of Common Shares which may be issuable under the Plan, in combination with Common Shares issuable under any other Share Compensation Agreement;

- (a) within any 12 month period to any one person, shall not exceed five percent (5%) (calculated on a non-diluted basis) of the then issued common shares of the Corporation (unless the Corporation has obtained the requisite disinterested Shareholder approval);
- (b) within 12 month period to Insiders (as a group), shall not exceed ten percent (10%) of the issued common shares of the Corporation at any point in time (unless the Corporation has obtained the requisite disinterested Shareholder approval), calculated as at the date of grant on a non-diluted basis;

- (c) within any 12 month period to any one consultant, shall not exceed two percent (2%) of the then issued common shares of the Corporation, calculated as at date of grant on a non-diluted basis;
- (d) within any 12 month period to **all** Participants conducting investor relations activities, shall not exceed two percent (2%) of the then issued common shares of the Corporation, calculated as at the date of grant on a non-diluted basis; and
- (e) to Insiders (as a group), shall not exceed 10% of the total number of issued and outstanding Common Shares at any time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).

In addition to the foregoing, any options issued to a Participant performing investor relations activities must vest in stages over no less than twelve months with no more than one-quarter of the options vesting in any three month period.

If option rights granted to an individual under the Plan shall expire or terminate for any reason without having been exercised in respect of certain Optioned Shares, such Optioned Shares may be made available for other options to be granted under the Plan.

5. ELIGIBILITY

Options may be granted under the Plan to any person who is a director, officer, employee or consultant of the Corporation, or of one of its subsidiaries, as the board of directors may from time to time designate as a participant under the Plan (a “**Participant**”). The Corporation as well as the Participant represents and confirms that any Participant under the Plan will be a *bona fide* director, officer, employee or consultant of the Corporation or of one of its subsidiaries. Subject to the provisions of this Plan, the total number of Optioned Shares to be made available under the Plan and to each Participant, the time or times and price or prices at which options shall be granted, the time or times at which such options are exercisable, and any conditions or restrictions on the exercise of options, shall be in the full and final discretion of the board of directors.

6. SHAREHOLDER APPROVAL

The Corporation will be required to obtain disinterested shareholder approval for the reduction in the exercise price of or extensions to Optioned Shares where the Optionee is an insider at the time of the proposed amendment.

The Corporation must obtain disinterested Shareholder approval of the Plan if the Plan, together with any other Share Compensation Arrangement, could result at any time in:

- the number of shares reserved for issuance under stock options granted to Insiders (as a group) exceeding 10% of the issued shares (calculated on a non-diluted basis);
- the grant to Insiders (as a group), within a 12 month period, of a number of options exceeding 10% of the issued shares (calculated on a non-diluted basis); or
- issuance to any one Participant, within a 12 month period, of a number of shares exceeding 5% of the issued shares (calculated on a non-diluted basis).

(“**Insider**” shall have the meaning set forth in the TSX Venture Exchange Corporate Finance Manual).

7. TERMS AND CONDITIONS

- Exercise Price

The exercise price to each Participant for each Optioned Share shall be as determined by the board of directors, but shall in no event be less than the market price of the common shares of the Corporation on the TSX Venture Exchange, or such other exchange on which the common shares are listed at the time of the grant of the option, less the maximum discount permitted under the policies of the TSX Venture Exchange or such other exchange on which the common shares are listed, or such other price as may be agreed to by the Corporation and approved by the TSX Venture Exchange or such other exchange on which the common shares are listed.

- Option Agreement

All options shall be granted under the Plan by means of an agreement between the Corporation and each Participant (the “**Option Agreement**”) in the form as may be approved by the board of directors, such approval to be conclusively evidenced by the execution of the Option Agreement by any one director or officer of the Corporation.

- Length of Grant

All options granted under the Plan shall expire not later than the tenth anniversary of the date such Options were granted or such other length of time as may be permitted under the policies of the stock exchange on which the common shares are listed.

- Non-Assignability of Options

An option granted under the Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by a Participant other than by will or other testamentary instrument or the laws of succession.

- Right to Postpone Exercise

Each Participant, upon becoming entitled to exercise the option in respect of any Optioned Shares in accordance with the Option Agreement, shall be entitled to exercise the option to purchase such Optioned Shares at any time prior to the expiration or other termination of the Option Agreement.

- Exercise and Payment

Any option granted under the Plan may be exercised by a Participant or the legal representative of a Participant giving notice to the Corporation specifying the number of shares in respect of which such option is being exercised, accompanied by payment (by cash or certified cheque payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of shares specified in the notice. Upon any such exercise of an option by a Participant the Corporation shall cause the transfer agent and registrar of the common shares of the Corporation to promptly deliver to such Participant or the legal representative of such Participant, as the case may be, a share certificate in the name of such Participant or the legal representative of such Participant, as the case may be, representing the number of shares specified in the notice.

- Rights of Participants

The Participants shall have no rights as shareholders in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions, voting rights, warrants or rights under any rights offering) other than Optioned Shares in respect of which Participants have exercised their option to purchase and which have been issued by the Corporation.

- Third Party Offer

If, at any time when an option granted under the Plan remains unexercised with respect to any Optioned Shares, an Offer to purchase all of the common shares of the Corporation is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of the Participants as soon as practicable and the Corporation may, at its option, require the acceleration of the time for the exercise of the option rights granted under the Plan and of the time for the fulfillment of any conditions or restrictions on such exercise.

- Alterations in Shares

In the event of a share dividend, share split, issuance of shares or instruments convertible into common shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of shares, recapitalization, amalgamation, merger, consolidation, corporate arrangement, reorganization, liquidation or the like of or by the Corporation, the board of directors may make such adjustment, if any, of the number of Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Participants under the Plan. Any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under the Plan must be subject to the prior acceptance of the TSX Venture

Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. In any such event, the maximum number of shares available under the Plan may be appropriately adjusted by the board of directors. If because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation of those in another company is imminent, the board of directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Participants and of the time for the fulfillment of any conditions or restrictions on such exercise. All determinations of the board of directors under this paragraph 6(i) shall be full and final.

- Termination where Cause exists

Subject to paragraph 6(l), if a Participant is dismissed as a director, officer, employee or consultant by the Corporation or by one of its subsidiaries or resigns, in either case in circumstances where Cause exists, all unexercised option rights of that Participant under the Plan shall terminate immediately upon such dismissal, notwithstanding the original term of the option granted to such Participant under the Plan.

- Termination where no Cause Exists

If a Participant is dismissed as a director, officer or employee by the Corporation or by one of its subsidiaries where no Cause exists (or where a consultancy agreement is terminated or cancelled otherwise than in accordance with its terms), the Participant shall have the right, for a period not exceeding 90 days from the date of such dismissal, to exercise the option under the Plan with respect to all Optioned Shares of such Participant. Upon the expiration of the 90 day period, all unexercised option rights of that Participant shall immediately terminate and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan. In the event that the Participant is engaged in investor relations activities, the 90 day period is abbreviated to 30 days.

- Disability or Retirement or Resignation

Notwithstanding paragraph 6(j), if a Participant ceases to be a director, officer, employee or consultant of the Corporation or of one of its subsidiaries as a result of:

- (i) disability or illness preventing the Participant from performing the duties routinely performed by such Participant;
- (ii) retirement at the normal retirement age prescribed by the Corporation pension plan;
- (iii) resignation (other than in circumstances where Cause exists); or
- (iv) such other circumstances as may be approved by the board of directors;

such Participant shall have the right for a period not exceeding 90 days from the date of ceasing to be a director, officer, employee or consultant (or, if earlier, until the expiry date of the option rights of the Participant pursuant to the terms of the Option Agreement) to exercise the option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the date of ceasing to be a director, officer, employee or consultant. Upon the expiration of the 90 day period (or such earlier expiry date as provided for in the Option Agreement) all unexercised option rights of that Participant shall immediately terminate and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan. In the event that the Participant is engaged in investor relations activities, the 90 day period is abbreviated to 30 days.

- Deceased Participant

In the event of the death of any Participant, the legal representatives of the deceased Participant shall have the right, for a period not exceeding one year from the date of death of the deceased Participant (or, if earlier, the date of expiry of the option pursuant to the terms of the Option Agreement), to exercise the deceased Participant's option with respect to all of the Optioned Shares of the deceased Participant to the extent they were exercisable on the date of death. Upon the expiration of such period all unexercised option rights of the deceased Participant shall immediately

terminate, notwithstanding the original term of the option granted to the deceased Participant under the Plan.

- Definition of Cause

“Cause” means any ground specified in the employment or consultant agreement of the Participant or relevant written policy of the Corporation or relevant employing Subsidiary as permitting termination of employment by the Corporation or relevant employing Subsidiary without notice or payment in lieu of notice and, in any event, includes any circumstance where the Participant (i) willfully fails to perform his/her duties with the Corporation or relevant employing Subsidiary; (ii) commits theft, fraud, dishonesty or misconduct involving the property, business or affairs of the Corporation or any of its Subsidiaries or in the performance of his/her duties; (iii) willfully breaches or fails to follow any material term of his/her employment agreement or consulting agreement; (iv) is convicted of a crime which constitutes an indictable offence; or (v) engages in conduct which would be treated as cause or grounds for summary dismissal by a court of competent jurisdiction in the jurisdiction in which the Participant is employed.

8. AMENDMENT AND DISCONTINUANCE OF PLAN

The board of directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to a Participant under the Plan without the consent of that Participant.

The board of directors may amend the terms of the Plan only where prior TSX Venture Exchange acceptance is obtained and where the following requirements are met:

- if the Participant is an Insider of the Corporation at the time of the amendment, the Corporation obtains disinterested Shareholder approval (as described in section 6 above) and the Exchange Hold Period is applied from the date of the grant of the Option;
- if the option exercise price is amended, at least six months have elapsed since the later of the date of commencement of the term, the date the Corporation’s shares commenced trading, or the date the option exercise price was last amended;
- if the option price is amended to represent a discount to the Market Price, the Exchange Hold Period is applied from the date of the grant of the option; and
- if the length of the stock option term is amended, any extension of the length of the term of the stock option is treated as a grant of a new option, and therefore also complies with pricing and other requirements of TSX Venture exchange Policy 4.4 *Incentive Stock Options*. The term of an option cannot be extended so that the effective term of the option exceeds 10 years in total. An option must be outstanding for at least one year before the Corporation can extend its term.

(“Market Price” and “Exchange Hold Period” shall have the meanings set forth in the TSX Venture Exchange Corporate Finance Manual).

9. NO FURTHER RIGHTS

Nothing contained in the Plan nor in any option granted under this Plan shall give any participant or any other person, any interest or title in or to any common shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation other than as set out in the Plan and pursuant to the exercise of any option, nor shall it confer upon any Participant any right to continue as an employee, officer, director or consultant of the Corporation or of any of its subsidiaries.

10. COMPLIANCE WITH LAWS

The obligations of the Corporation to sell common shares and deliver share certificates under the Plan are subject to such compliance by the Corporation and the Participants as the Corporation deems necessary or advisable with all applicable corporate and securities laws, rules and regulations.

11. GENDER

The use of the masculine gender in this Plan shall be deemed to include or be replaced by the feminine gender where appropriate to the particular Participant.