



**NOTICE OF ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS**

AND

INFORMATION CIRCULAR

of

NANO ONE MATERIALS CORP.

to be held on

October 14, 2021

Dated September 7, 2021

Warning

In light of the ongoing public health concerns related to the ongoing COVID-19 pandemic and in order to comply with the measures imposed by the federal and provincial governments, the Company is requesting all shareholders and others not to attend the Meeting in person. Shareholders are strongly urged to vote on the matters before the Meeting by completing the form of proxy and to attend the Meeting by teleconference by dialing 1-866-512-0904 (Participant Code: 7478017). Shareholders will be able to submit questions to management of the Company over the telephone but will not be able to vote over the telephone. The Company may need to take additional precautionary measures to comply with government public health directives and advice and to help protect the health of our communities, shareholders, employees and other stakeholders from risks associated with the ongoing COVID-19 pandemic.

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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

Notice is hereby given that the Annual General and Special Meeting (the “Meeting”) of the shareholders of **Nano One Materials Corp.** (“Nano One” or the “Company”) will be held on **October 14, 2021** at Unit 101A – 8575 Government Street, Burnaby, British Columbia, Canada, at the hour of **1:00 p.m.** (local time in Vancouver) for the following purposes:

1. To receive the annual financial statements of the Company for its fiscal year ended December 31, 2020, together with the auditor’s reports thereon;
2. To set the number of directors at six;
3. To elect directors for the ensuing year;
4. To appoint Davidson & Company LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing financial year and to authorize the directors to set the auditor’s remuneration;
5. To approve an ordinary resolution as set out in the management proxy circular approving amendments to the articles of the Company and the adoption of the amended and restated articles;
6. To consider, and if thought advisable, pass with or without variation, an ordinary resolution approving the Company’s Omnibus Equity Incentive Plan, and ratify the Awards to the directors and officers as more particularly described in the accompanying information circular; and
7. To transact any other business that may properly come before the Meeting.

Nano One is using the notice and access method for delivering this notice to shareholders. This Notice and related management information circular (the “Meeting Materials”) are available on Nano One’s website at www.nanoone.ca/AGM and under the Company’s profile on SEDAR at www.sedar.com.

The Company will also mail paper copies of the Meeting Materials to those registered and beneficial shareholders who have previously elected to receive or otherwise request paper copies of the Meeting Materials. All other shareholders of the Company will receive a notice and access notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Shareholders wishing to receive paper copies of the Meeting Materials can request them from the Company by calling Computershare Investor Services Inc. (Computershare) by phone at 1-800-564-6253 (North American toll free) or 1-514-982-7555 (International) or by email at info@nanoone.ca. The Company will mail paper copies of the Meeting Materials to requesting shareholders at no cost to them within three business days of their request, if such requests are made before the Meeting.

You have the right to vote of if you were a shareholder of the Company at the close of business on September 1, 2021. Shareholders are referred to the management information circular (the “**Circular**”) dated September 7, 2021, accompanying this Notice for more detailed information with respect to the matters to be considered at the Meeting and for the full text of the resolutions.

If you are unable to attend the Meeting, you are encouraged to vote your proxy by mail, or internet so that as large a representation as possible may be had at the Meeting. You will need the control number contained in the accompanying form of proxy (“**Proxy**”) in order to vote. Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form (“**VIF**”). To be valid, your Proxy or VIF must be received by the Company’s transfer agent, Computershare Investor Services Inc., 100 University Ave, 8th Floor, Toronto, ON, M5J 2Y1 not later than 48 hours (excluding Saturdays and holidays) before the time of holding the Meeting or any adjournment thereof.

In light of the ongoing public health measures related to the mitigating the effects of the ongoing COVID-19 pandemic the Company is requesting all shareholders and others not to attend the

Meeting in person. Shareholders are strongly urged to vote on the matters before the Meeting by completing the form of proxy or VIF and to attend in the Meeting by teleconference by dialing 1-866-512-0904 (Participant Code: 7478017). Shareholders will be able to submit questions to management of the Company over the telephone but will not be able to vote over the telephone. The Company may need to take additional precautionary measures to comply with government public health directives and advice and to help protect the health of our communities, shareholders, employees and other stakeholders from risks associated with the ongoing COVID - 19 pandemic.

DATED at Vancouver, British Columbia, this 7th day of September, 2021.

BY ORDER OF THE BOARD

"Dan Blondal"

Dan Blondal, CEO

INFORMATION CIRCULAR

(all information as at September 7, 2021 unless otherwise noted)

VOTING INFORMATION

PERSONS MAKING THE SOLICITATION

This Management's Information Circular (the "Circular") is furnished in connection with the solicitation of proxies being made by the management of Nano One Materials Corp. ("Nano One" or the "Company") for use at the Annual General and Special Meeting of the Company's shareholders (the "Meeting") to be held on October 14, 2021 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by Directors, Officers, and employees of the Company at nominal cost. All costs of this solicitation will be borne by the Company.

APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy (the "Proxy") are Directors or Officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (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 PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated, and signed and mailed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or is delivered to the chair of the Meeting prior to the commencement of the Meeting.

You may also submit your Proxy by using one of the following methods:

- (a) **By phone:** Please refer to the enclosed Proxy for the toll-free number, holder's account number and the proxy access number and follow the instructions of the voice response system. You will need your 15-digit control number which is located on your Proxy/voting instruction form. **If you vote by telephone, you cannot appoint anyone other than the Directors named on your Proxy as your proxyholder;** or
- (b) **By internet:** Submit your Proxy through the website of the Company's transfer agent at www.investorvote.com and follow the instructions that appear on the screen, referring to the enclosed Proxy for holder's account number and proxy access number. You will need your 15-digit control number which is located on your Proxy/voting instruction form.

NON-REGISTERED HOLDERS

Only registered shareholders ("Registered Shareholders") or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the common shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Non-registered shareholders who do not hold their common shares in their own name (referred to herein as "Beneficial Shareholders") should note that only Registered Shareholders (or duly appointed proxyholders) may complete a Proxy or vote at the Meeting in person. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository for Securities Inc., which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against

resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares for the brokers' clients.

This Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“Objecting Beneficial Owners”, or “OBOs”) and those who do not object to their identity being made known to the issuers of the securities they own (“Non-Objecting Beneficial Owners”, or “NOBOs”). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

The Company is taking advantage of those provisions of NI 54-101 that permit the Company to deliver proxy-related materials directly to the Company's NOBOs who have not waived the right to receive them (and is not sending proxy-related materials using notice-and-access). As a result, NOBOs can expect to receive a Voting Instruction Form (“VIF”) together with the Notice of Meeting, this Circular, and related documents from the Company's transfer agent Computershare. These VIFs are to be completed and returned in accordance with the instructions provided. **NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs.**

NOBOS that wish to change their vote must contact Computershare to arrange to change their vote in sufficient time in advance of the Meeting.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO's name (or such other person as the NOBO wishes to attend and vote on the NOBO's behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided or the NOBO must submit to the Company any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxyholder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a proxyholder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxyholder as aforesaid the Company must deposit the proxy within the timeframe specified above for the deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time. **If a NOBO or a nominee of the NOBO is approved as a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Circular, and related documents (collectively, the “Meeting Materials”) to the clearing agencies and intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge to forward the Meeting Materials to OBOs. Together with the Meeting Materials, intermediaries or their service companies should provide OBOs with a “request for voting instruction form” which, when properly completed and signed by such OBO and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own. The Company does not intend to pay for an intermediary to deliver the Meeting Materials to OBOs and OBOs will not receive the Meeting Materials and voting instruction form unless their intermediary assumes the costs of delivery. **OBOs should carefully follow the instructions of their intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.**

OBOs that wish to change their vote must contact their intermediary to arrange to change their vote in sufficient time in advance of the Meeting.

Should an OBO wish to vote at the Meeting in person, the OBO must insert the OBO's name (or such other person as the OBO wishes to attend and vote on the OBO's behalf) in the blank space provided for that purpose on the request for voting instruction form and return the completed request for voting instruction form to the intermediary or its service provider or the OBO must submit, to their intermediary, any other document in writing that requests that the OBO or a nominee of the OBO be appointed as proxyholder. In such circumstances an intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxyholder in respect of those securities. Under NI 54-101, if an intermediary appoints an OBO or the nominee of the OBO as a proxyholder as aforesaid, the OBO or nominee of the OBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an intermediary who appoints an OBO or its nominee as proxyholder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the intermediary obtains the instructions at least one (1) business day before the termination of that time. **If the OBO or a nominee of the OBO is appointed a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

Registered Shareholders and duly appointed proxyholders will have an equal opportunity to participate in the Meeting by telephone by dialing 1-866-512-0904 (Participant Code: 7478017). This includes the ability to ask questions. Beneficial Shareholders who have not duly appointed themselves as proxyholders may also attend as guests. Guests will be able to listen to the Meeting but will not be able to vote or ask questions during the Meeting.

These securityholder materials are being sent to both Registered Shareholder and Beneficial Shareholder of the securities of the Company. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

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

REVOCATION OF PROXIES

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 either to the registered office of the Company, at 2900 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof. **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.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF COMMON SHARES AND PROXIES AND EXERCISE OF DISCRETION

Voting By Show of Hands

Voting at the Meeting generally will be by a show of hands, where every person who is a shareholder or proxy holder and entitled to vote on the matter has one vote.

Voting By Poll

Voting at the Meeting will be by poll only if a poll is requested by a shareholder present at the Meeting in person or by proxy, directed by the Chair or required by law because the number of common shares represented by proxy that are to be voted against the motion is greater than 5% of the Company's issued and outstanding common shares.

On a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

Approval of Resolutions

To approve a motion for an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required; to approve a motion for a special resolution, a majority of not less than two-thirds of the votes cast on the resolution will be required.

Voting of Proxies and Exercise of Discretion by Proxyholders

A shareholder may indicate the manner in which the persons named in the accompanying form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy on any ballot that may be called for.**

If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of proxy. It is intended that the proxyholder named by management in the accompanying form of proxy will vote the common shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Company's Board of Directors (the "Board of Directors" or "Board") for Directors and auditor.

The accompanying form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.

NOTICE-AND-ACCESS

The Company has elected to use the "notice-and-access" provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "Notice-and-Access Provisions") for delivery of the Notice of Meeting and Circular for the fiscal year ended December 31, 2020 (collectively, the "Meeting Materials") to registered and beneficial shareholders. The Notice-and-Access Provisions reduce the volume of materials that the Company must physically print and mail to its Shareholders by allowing the Company to post its Management Information Circular in respect of the Meeting and related materials online, reducing printing and postage costs. The Company believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy related materials.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a Notice and Access notification containing details of the Meeting date, location and purpose, as well as information on how to access the Meeting Materials electronically. Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials.

The Company will not employ what is known as "stratification." Stratification occurs when a reporting issuer using Notice-and-Access Provisions provides a paper copy of their information circular with the notice to certain groups of Shareholders. For the Meeting, all Shareholders will receive the Meeting Materials under the Notice-and-Access Provisions. The Company will only mail paper copies of the Meeting Materials to those registered and beneficial shareholders who have previously elected to receive or otherwise request paper copies of the Meeting Materials. All other Shareholders of the Company will receive a notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Meeting materials are available electronically under the Company's profile at www.sedar.com and also at <https://www.nanoone.ca/AGM>.

Shareholders wishing to receive a paper copy of the Meeting Materials or those who have questions about notice-and-access, can call 1-800-564-6253 (North American toll free) or 1-514-982-7555 (International) or by email at info@nanoone.ca. The Company advises that a Shareholder's request for paper copies of the Circular and other relevant information will need to be received prior to September 27, 2021, in order for such Shareholder to have sufficient time to receive and review the materials requested and return the completed form of proxy as set forth in this Circular.

In order to receive a paper copy of this Circular and other relevant information, requests by Shareholders may be made up to one year from the date the Circular was filed on System for Electronic Document Analysis and Retrieval ("SEDAR") by: (i) mailing a request to the Company at Unit 101B, 8575 Government Street, Burnaby, BC, V3N 4V1, Attention: Chief Accountant; (ii) calling the Company at 604-420-2041; or (iii) by emailing the Company at info@nanoone.ca.

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GENERAL INFORMATION

Unless otherwise stated, information in this Circular is as of September 7, 2021. All dollar amounts referenced in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Company has issued and outstanding 95,429,403 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities and does not have any classes of restricted securities.

Any shareholder of record at the close of business on September 1, 2021, who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, will be entitled to vote or to have such shareholder's common shares voted at the Meeting.

To the best of the knowledge of the Directors and executive Officers of the Company, there are no persons who, or corporations which, beneficially own, or exercise control or direction over, directly, or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares.

MATTERS TO BE ACTED UPON AT THE MEETING

FINANCIAL STATEMENTS

The financial statements of the Company for the year ended December 31, 2020, and the auditors' report thereon accompanying this Circular will be placed before the Shareholders at the Meeting. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice to Computershare. The financial statements of the Company for the year ended December 31, 2020, are filed on SEDAR.

NUMBER OF DIRECTORS

The articles of the Company ("Articles") require that the Board consist of the greater of three directors or the number set by ordinary resolution. At the Meeting, the six persons named in the "Directors" section set out in the table on page 7 will be proposed for election as Directors of the Company.

At the Meeting, shareholders of the Company will be asked to vote, by ordinary resolution, to set the number of Directors of the Company at six (6) for the ensuing year.

ELECTION OF DIRECTORS

The term of office of each of the present Directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management's 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) ("Business Corporations Act").

Majority Voting Policy

The Board of Nano One the Company believes that each Director should have the confidence and support of the shareholders of the Company. To this end, the Board has unanimously adopted a Majority Voting Policy (the "Policy") and future nominee Directors for election to the Board will be required to confirm that they will abide by this Policy.

Under the terms of the Policy, in an uncontested election of Directors at a shareholders' meeting, the votes cast in favour of the election of a Director nominee must represent a majority (50% plus one vote) of the common shares voted and withheld for the election of the Director. If that is not the case, the Director nominee is required to promptly tender his or her resignation for consideration by the balance of the Board.

In the absence of exceptional circumstances, it is expected that the Board will accept the resignation in a time frame consistent with the interest of the Company and in any event within 90 days from the date of the relevant shareholders' meeting. The resignation will be effective when accepted by the Board. A Director who tenders a resignation under this Policy will not participate in any Board or committee meeting at which the resignation is considered.

A copy of this Policy shall be made available on the Company's website (www.nanoone.ca).

The following table sets out the names of the nominees for election as Directors, the province or state and country in which each is ordinarily resident, the period or periods during which each has served as a Director, the first and last positions held in the Company, their present principal occupations, and the number of common shares of the Company or any of its subsidiaries beneficially owned, or controlled or directed by each, directly or indirectly, as at the date hereof.

Name, Position(s) with the Company ⁽¹⁾ and Place of Residence ⁽³⁾	Principal Occupation ⁽²⁾ ⁽³⁾	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽³⁾
Paul Matysek Executive Chairman and Director <i>British Columbia, Canada</i>	The Company's Chairman since March 2015. Director of Forsys Metals Corp. since October 2007, Chairman of Nevada King Gold Corp. (formerly Victory Metals Inc.) since January 2019. Past CEO and Chairman of Gold X Mining Corp. until June 2021. Past Chairman of First Cobalt Corp. and Lithium X Energy Corp. to October 2019. Past President and CEO of Goldrock Mines Corp., Lithium One Inc., Potash One Inc. and Energy Metals Corporation from 2004 to 2015.	January 29, 2012	2,344,416 ⁽⁵⁾
Dan Blondal CEO and Director <i>British Columbia, Canada</i>	The Company's CEO since March 2015. CEO of Perfect Lithium Corp. since July 2014, co-CEO of Perfect Lithium Corp. since 2011.	March 5, 2015	1,395,000
John Lando⁽⁴⁾ President and Director <i>British Columbia, Canada</i>	The Company's President since March 2015, and interim CFO from October 2018 to January 2020. President of Perfect Lithium Corp. since 2011. President of Northern Lion Gold Corp., and New World Resource Corp.	March 5, 2015	1,678,500 ⁽⁶⁾
Lyle Brown⁽⁴⁾ Director <i>British Columbia, Canada</i>	Partner of Culver & Co., an accounting firm.	March 5, 2015	215,333
Dr. Joseph Guy⁽⁴⁾ Director <i>North Carolina, USA</i>	Patent Agent since 1992. Patent Filing Specialists Inc. since 2018. Perkins Law Firm, LLC from 2013-2018.	March 5, 2015	100,000

Name, Position(s) with the Company ⁽¹⁾ and Place of Residence ⁽³⁾	Principal Occupation ⁽²⁾ ⁽³⁾	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽³⁾
Gordon M. Kukec Director <i>British Columbia, Canada</i>	<p>Mr. Kukec is an independent consultant and advisor specializing in cybersecurity, corporate strategy and board governance. Director at Intelligent City, BC Ferry Services Inc. and Solshare Energy Corp.</p> <p>Mr. Kukec holds a BA, Economics from University of Calgary, an MBA from Queen's University, the Institute of Corporate Directors Director designation (ICD.D), the Sustainable Energy Management (SEMAC) designation from BCIT and certification in Cybersecurity and Governance of Enterprise Information Technology (CGEIT) from ISACA</p>	September 7, 2021	361,850 ⁽⁷⁾

- (1) For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.
- (2) Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least five years.
- (3) The information as to province or state and country of residence, principal occupation and number of common 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 nominees.
- (4) Members of the Company's Audit Committee. Mr. Brown is Chair of the Audit Committee.
- (5) Mr. Matysek holds 1,639,916 common shares directly. 704,500 common shares are held indirectly by Mr. Matysek through Bedrock Capital Corporation, a company controlled by Mr. Matysek.
- (6) Mr. Lando holds 710,000 common shares directly. 968,500 common shares are held indirectly by Mr. Lando through Sterling Pacific Capital Inc., a company controlled by Mr. Lando.
- (7) Mr. Kukec holds 229,350 common shares directly and has control or direction over an additional 132,500 common shares, 74,000 of which are held jointly with Mr. Kukec's spouse and 58,500 which are held by solely by his spouse.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the proposed Directors (or any of their personal holding companies) of the Company:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a Director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:
 - (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days while that person was acting in the capacity as Director, Chief Executive Officer or Chief Financial Officer; or
 - (ii) was subject to a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a Director, Chief Executive Officer or Chief Financial Officer in the Company and which resulted from an event that occurred while that person was acting in the capacity as Director, executive Officer or Chief Financial Officer; or
- (b) is as at the date of this Circular or has been within the 10 years before the date of this Circular, a Director or executive Officer of any company, including the Company, 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

- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

To the knowledge of the Company, none of the proposed Directors (or any of their personal holding companies) has been subject to:

- (d) 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
- (e) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

APPOINTMENT OF AUDITORS

Shareholders will be asked to approve the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Directors. The auditor was first appointed on March 5, 2015.

Management recommends that shareholders vote FOR the appointment of Davidson & Company LLP as the Company's auditor for the Company's financial year ending December 31, 2021, at a remuneration to be fixed by the Board.

ARTICLE AMENDMENTS

The Articles currently provide that the quorum required to transact business at a meeting of shareholders is one person present or represented by proxy. The Articles also allow for any director to appoint a person to be their alternate, to act in place of that director at any board or committee meetings.

The Board has determined that it is in the best interest of the Company to amend the Articles, subject to the restrictions set out in the *Business Corporations Act* (British Columbia), to set the quorum for the transaction of business at a meeting of shareholders to at least two persons present or represented by proxy holding 25% or more of the common shares entitled to vote at such meeting, and to remove the provisions allowing for the appointment of alternate directors (the "Article Amendments"). A copy of the Articles demonstrating the Article Amendments is included herein as Appendix 2 and is also available for inspection by shareholders at our registered office.

The Article Amendments would prevent a single significant or controlling shareholder from dominating meetings at the expense of minority shareholders. The proposed Article Amendments will also better align the Articles with recommended best practices for Toronto Stock Exchange (the "Exchange" or "TSX") listed companies.

Advance Notice Provisions

The Board has determined that it would be appropriate and in the best interests of the Company to implement a requirement for advance notice in connection with the election of directors and amend the Company's Articles to include advance notice provisions ("Advance Notice Provisions"). The following is a summary of the proposed Advance Notice Provisions and is subject to the full text of the Advance Notice Provisions set forth in Appendix 2 to this Circular.

Purpose of the Advance Notice Provisions

The purpose of the Advance Notice Provisions is to provide shareholders, directors and management of the Company with direction on the procedure for shareholder nomination of directors. The Advance Notice Provisions are the framework pursuant to which the Company fixes a deadline by which holders of record of common shares must submit director nominations ("Nominating Shareholder") to the Company prior to any annual or special

meeting of shareholders and set forth the information that a shareholder must include in the notice to the Company for the nomination notice to be in proper written form.

Among other things, the Advance Notice Provisions fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Corporate Secretary of the Company prior to any annual meeting of shareholders or at any special meeting of shareholders, if one of the purposes for which the special meeting was called was the election of directors, and sets forth the specific information that a shareholder must include in the written notice to the Secretary of the Company for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the Advance Notice Provisions.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:

1. in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
2. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

The chair of any meeting of shareholders of Nano One has the power to determine whether any proposed nomination is made in accordance with the Advance Notice Policy. If any proposed nomination is not in compliance with the Advance Notice Policy, the chair must declare that such defective nomination shall not be considered at any meeting of the shareholders.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Policy. The Advance Notice Provisions applies to the Company so long as the Company is a public company

A complete copy of the proposed new Article 27.1 incorporating the Advance Notice Provisions is attached as Appendix 2 to this Circular and is also available for inspection by shareholders at our registered office. At the Meeting, the shareholders of the Company will be asked to consider, and if thought fit, pass an ordinary resolution, being not less than 51% of the votes cast by shareholders, approving the Article Amendments and the Advance Notice Provisions:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the existing Articles of the Company be amended and adopted as set out in Appendix 2 of the Company's Management Information Circular dated September 7, 2021;
2. these resolutions shall be effective on the date and time that this resolution has been deposited at the Company's records office; and
3. any one director or officer of the Company is authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of these resolutions, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

Unless otherwise instructed, management unanimously recommends that shareholders vote FOR the resolutions authorizing the Article Amendments and the Advance Notice Provisions.

APPROVAL OF OMNIBUS EQUITY INCENTIVE PLAN

On June 18, 2021, the Company's Board approved an Omnibus Equity Incentive Plan ("Equity Incentive Plan") which will replace the Company's 2017 amended and restated stock option plan (the "Option Plan") which was

first approved by the shareholders on June 26, 2017. Notwithstanding the foregoing, pursuant to the terms of the Equity Incentive Plan, all outstanding options granted under the Option Plan will be governed by the Omnibus Plan, unless the Option Plan is more beneficial, in which case the terms of the Option Plan will apply for the benefit of the option holder.

Management seeks shareholder approval for the Equity Incentive Plan in accordance with and subject to the rules and policies of the Exchange. The Equity Incentive Plan is subject to approval of shareholders at the Meeting and options and awards granted under the Equity Incentive Plan may not be exercised until shareholder approval and final approval of the Exchange are obtained. Additional information about the Equity Incentive Plan is on page 21 under the heading “*STOCK OPTION PLAN AND OTHER INCENTIVE PLANS*”. The full text of the Company’s Equity Incentive Plan is set out in Appendix “3” hereto.

The intention of management in proposing the Equity Incentive Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and consultants, to reward such of those Directors, employees and consultants as may be granted awards under this Equity Incentive Plan by the Board from time to time for their contributions. Further, the purpose of the Equity Incentive Plan is to align Directors, employees and consultants with the interests of shareholders and the long-term goals and success of the Company and to also enable and encourage such Directors, employees and consultants to acquire common shares as long-term investments and proprietary interests in the Company. It is proposed that under the Equity Incentive Plan, the aggregate number of common shares reserved for issuance pursuant to awards granted under the Equity Incentive Plan (including any predecessor options granted under the 2017 Option Plan) shall not exceed 10% of the Company’s total issued and outstanding common shares from time to time.

As at December 31, 2020, 8,823,754 common shares represented 10% of the outstanding common shares of the Company. As at the date of this Circular, 9,542,940 common shares represent 10% of the outstanding common shares of the Company. The aggregate number of outstanding securities awarded under the Equity Incentive Plan and the 2017 Option Plan currently stands at 6,253,931, representing 6.6% of Nano One’s total issued and outstanding common shares. The aggregate number of common shares remaining available for future issuance under the Equity Incentive Plan is 3,289,009, representing 3.4% of Nano One’s total issued and outstanding common shares.

The Equity Incentive Plan complies with the current policies of the Exchange, and all capitalized terms below that are not defined in this Circular, have the meanings given to them in the TSX Company Manual. The Equity Incentive Plan is subject to final approval by the Exchange.

Limitations on Awards

If and for so long as the Company’s common shares are listed on the TSX:

- i. the number of Nano One common shares issuable to insiders, at any time, under the Equity Incentive Plan (including any predecessor options granted under the 2017 Option Plan), shall not exceed 10% of the total number of issued and outstanding Nano One common shares on a non-diluted basis; and
- ii. the number of Nano One common shares issuable to insiders, within any one-year period, under the Equity Incentive Plan (including any predecessor options granted under the 2017 Option Plan), shall not exceed 10% of the total number of issued and outstanding Nano One common shares on a non-diluted basis.

Additionally, in any year, under the terms of the Equity Incentive Plan and any other compensation plan that may be in place from time to time, the maximum annual individual non-executive Director limit shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of stock options; excluding awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a Director upon such Director joining the Board).

Shareholder Approval

The holders of common shares of the Company will be asked to approve the Equity Incentive Plan at the Meeting. The text of the resolution approving the Equity Incentive Plan is set out below. In order to be passed, this resolution must be approved by at least a majority of the votes cast by shareholders represented in person or by proxy at the meeting.

Since the Equity Incentive Plan was adopted on June 18, 2021, 184,505 Restricted Share Units have been granted to three directors and four executive officers of the Company and 8,626 Deferred common shares Units were granted to a director of the Company (the “New Awards”) which is a combined 193,131 common shares being reserved for issuance (or 0.02% of current issued and outstanding common shares). Such New Awards will vest in 1/3 increments annually over a period of three years. These New Awards cannot be exercised until such time that shareholders of the Company have approved and ratified the Equity Incentive Plan and the grants. Should shareholders fail to approve the Equity Incentive Plan, these New Awards will be cancelled forthwith.

Recommendation of Management and the Board

The Board has determined that approving the Equity Incentive Plan is in the best interests of the Company and its shareholders. Accordingly, the Company requests that its shareholders pass an ordinary resolution in the following terms:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Omnibus Equity Incentive Plan (the “Equity Incentive Plan”) of the Company, as more particularly described in the Management’s Information Circular and attached as Appendix “3”, subject to the final acceptance thereof by the Toronto Stock Exchange (the “Exchange”), including the reserving for issuance under the Equity Incentive Plan at any time of a maximum of 10% of the issued common shares of the Company be and is hereby approved;
2. the Board of Directors of the Company be authorized to make any changes to the Equity Incentive Plan as may be required or permitted by the Exchange;
3. the grant of 184,505 restricted share units and 8,626 deferred share units granted to insiders of the Company, vesting as to 1/3 every 12 months from the date of grant for a term of 36 months, as described in this information circular dated September 7, 2021, be and are hereby ratified;
4. all unallocated entitlements under the Equity Incentive Plan are approved and ratified until the earlier of (i) the date of the 2024 annual meeting of shareholders of the Company, and (ii) October 14, 2024;
5. upon the valid exercise of any awards granted under the Equity Incentive Plan, including the payment of the applicable exercise price, the underlying common shares in the capital of Company shall be issued from treasury as fully paid and non-assessable common shares of the Company; and
6. any Director or Officer of the Company is authorized and directed, for and on behalf of the Company, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such Officer may deem necessary or desirable in order to carry out the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.”

STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

The following table provides a summary of compensation paid, directly or indirectly, for each of the three most recently completed financial years, to the Directors, and to the following persons (collectively, the “Named Executive Officers” or “NEOs”):

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as Chief Executive Officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as Chief Financial Officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, each of the three most highly compensated executive Officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and

- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive Officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Based on the foregoing definitions, the Company's NEO's in respect of the year ended December 31, 2020, were: Dan Blondal, CEO; Dan Martino, CFO and Corporate Secretary (from January 20, 2020 onwards); Stephen Campbell, Chief Technical Officer ("CTO"); John Lando, President; and Paul Matysek, Executive Chairman.

COMPENSATION DISCUSSION AND ANALYSIS

The Company has a Compensation Committee which is comprised of Mr. Lyle Brown and Dr. Joseph Guy (Chairman). The Compensation Committee makes recommendations to the Board of Directors, which then determines the compensation of the Company's Directors, NEOs and senior Officers that the Board of Directors (having regard to the recommendations of the Compensation Committee) determines is suitable.

With respect to the overall objectives of its compensation practices, and taking into consideration its current stage of development, the Company determines the specific amounts of compensation to be paid to each of the Named Executive Officers based on a number of factors, including: (i) the Company's understanding of the amount of compensation generally paid by similar companies to the Named Executive Officers with similar roles and responsibilities; (ii) the Named Executive Officers' performance during the fiscal year; (iii) the roles and responsibilities of the Company's Named Executive Officers; (iv) the individual experience, the skills of, and expected contributions from each of the Named Executive Officers having regard for the Company's current stage of development and its general perspectives; (v) the amounts of compensation being paid to the other Named Executive Officers; (vi) the Company's performance and (vii) any other contractual commitments that the Company has made to its Named Executive Officers regarding compensation.

Market comparisons as well as evaluation of similar positions in the same industry and in the same geography are also considered in determining compensation levels. Following a review of such criteria and the recommendations of the Compensation Committee, the Board of Directors determines compensation amounts and methods as it sees fit and reasonable.

The objective of the Board of Directors in setting compensation levels is to attract, retain, and motivate qualified individuals to serve as Executive Officers of the Company, to motivate their performance in order to achieve the Company's important strategic objectives and to align the interests of Executive Officers with both the short-term and the long-term interests of the Shareholders, while at the same time preserving cash flows. These objectives are designed to ensure that the Company continues to achieve its strategic objectives and pursue cash flow positive and future profitable operations for the Company and its Shareholders.

Base Salary

Base compensation is used to provide the Named Executive Officer with a set salary level during the year with the expectation that he/she will perform his/her responsibilities to the best of his/her ability and in the best interests of the Company. Benchmarking the executive salary was determined based on the stage of the development of the Company, which was particularly challenging as the Company is at a pre-revenue stage. As such, the Company's compensation philosophy was to target between the 25th and 50th percentile of the market. Additionally, the Company's compensation philosophy focuses on the contribution of the Named Executive officers while also aligning compensation with value created for shareholders.

Benchmark market data was sourced using the Aon plc Radford Salary Survey ("Radford") and Western Compensation and Benefits Group ("WSBC"). The Compensation Committee made their recommendations based on the results driven from the benchmarking in these two surveys. Both surveys looked into the technology field within adequate sample sizes in the provincial and national region that reflect the company size, revenue, stage of business & industry. WSBC was used as the primary source of data and Radford was used as secondary. The Compensation Committee looked into 24 organization mixed of public and private sectors.

The base salary of each Named Executive Officer is reviewed annually. The base salary assessment and annual revisions, if any, to each Named Executive Officer's base salary are made in accordance with the compensation

structure and stage of development of the Company. Base salary and annual revisions are approved by the Board after reviewing the recommendations of the Compensation Committee.

Annual Savings Program

The Company has established an annual savings program. The intention of this program is to provide a cash dollar amount in lieu of Registered Retirement Saving Plan (RRSP). Under their respective employment terms or the Company's compensation structure, certain Named Executive Officers are eligible to receive a discretionary annual cash incentive based on 5% of their annual base salary as part of the Company's Annual Savings Program. The Annual Savings Program and amounts awarded may be revised from time to time by the Company at the discretion of the Compensation Committee.

Variable Compensation – Short-Term Incentive

Due to the stage of our business, for 2021 we are emphasizing linking a significant portion of the executive total pay to corporate and individual performance. The Company provides short-term variable compensation as an incentive for performance. Each executive has a specified STIs target bonus as a percentage of the base salary; and will be measured against certain corporate performance metrics measured on an annual basis at the outset of each calendar year. Additional cash bonus above the targeted percentage may be awarded to reward extraordinary performance that has led to increased value for shareholders through divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. The targeted STI percentage for 2021 is demonstrated below:

Position	STI Target
CEO	60%
COO	50%
President	50%
CTO	25%

Variable Compensation – Long-Term Incentive

The Company's granting of stock options, or restricted share units ("RSU"), deferred share units ("DSU"), performance share units ("PSU") or equivalent (collectively, "incentive units"), to Named Executive Officers under the Equity Incentive Plan provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of incentive units is appropriate, and if so, the number of options that should be granted, the Board will consider: the number and terms of outstanding incentive units held by the Named Executive Officer; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Equity Incentive Plan and the Exchange.

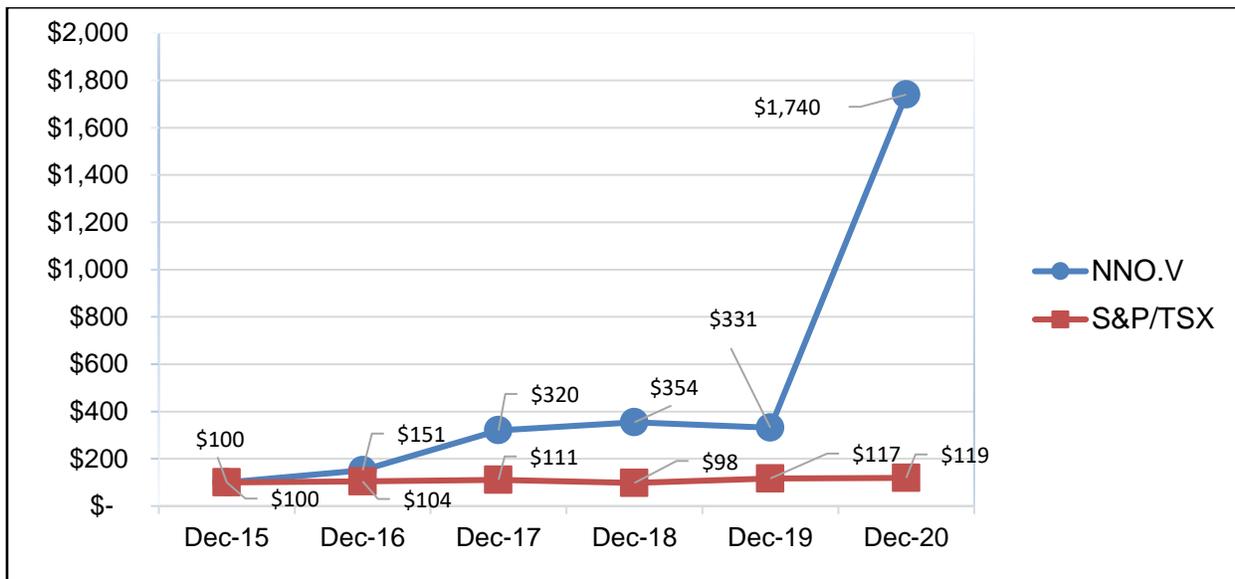
The Company generally expects future incentive grants should be based on the following factors: (i) the terms and conditions of the employment agreements of Named Executive Officers; (ii) the Named Executive Officer's past performance; (iii) the Named Executive Officer's anticipated future contribution; (iv) the incentive grants to such Named Executive Officer; (v) the level of vested and unvested stock options or incentive units; (vi) the Company's overall performance and the Named Executive Officer's contribution thereto; and (vii) the market practices and the Named Executive Officer's responsibilities and performance. The Company has not set specific target levels for the granting of stock options or incentive units to Named Executive Officers but seeks to be competitive with similar companies. Notably, no grants of incentive units have been made to date, though the criteria for any future grants are expected to be similar to those employed in assessing and awarding grants of stock options. For a summary of the main terms and conditions of the Company's Equity Incentive Plan, see "Omnibus Equity Incentive Plan" below.

Similar to STI, each executive has a specified target long-term incentive (LTI) expressed as a percentage of base salary. LTI incentive was driven from the Radford survey that examined various executives within the tech sector and is set as follows:

Position	LTI Target
CEO	60%
COO	50%
President	50%
CTO	25%

Performance Graph

The following graph compares the cumulative total return on a \$100 investment in common shares of the Company made on December 31, 2015, to the cumulative total return on the S&P/TSX Composite Index until December 31, 2020 (as of December 31 in each of the five (5) previously completed fiscal year ends).



There is no direct correlation between the trend of the Company's share performance evidenced by the table above and the Company's compensation to Executive Officers over the period of reference. The stock prices of companies within the Company's industry can be volatile and subject to various market conditions. Rather than being based on the performance of the Company's share price, the trend of the Company's compensation to Executive Officers has evolved positively to reflect the achievement of important developments and milestones to the Company and the Company's overall financial and operational performance. It should also be noted that the Company's common shares started to trade on the Toronto Stock Exchange under the new ticker symbol "NANO" on June 8, 2021 (subsequent to the periods reflected above).

Compensation Governance

The Board has established the Compensation Committee, which is responsible, amongst other things, for reviewing compensation matters having regard for the factors discussed above and making recommendations to the Board regarding the compensation of the Named Executive Officers. The members of the Compensation Committee are Mr. Lyle Brown (independent), Dr. Joseph Guy (Chairman) (not independent), and the committee received compensation analysis and advice from Mr. Gord Kucec (external strategic advisor) (independent). The Board has not yet adopted a written mandate for the Compensation Committee. Each of the members of the committee has experience with employment and compensation matters, having served as Officers and Directors of various private and public companies.

Mr. Gord Kucec (external strategic advisor) assisted the Board of Directors and Compensation Committee in conducting a competitive review of compensation for the executive team, including base salary, short-term bonus

incentives, and long-term incentive awards. Data was sourced using the Compensation Surveys mentioned above. The Compensation Committee considered the results of this review and the recommendations of Mr. Kukec in its determination of executive base compensation adjustments which became effective January 1, 2021.

Executive Compensation-Related Fees

For the fiscal year ended December 31, 2020, Miles Employment Group Ltd. was remunerated \$61,234 (2019 - \$nil) for the services of the HR contractor for all general human resources functions and services. Services provided by the HR contractor are not subject to board pre-approval. Additionally, Gord Kukec does not receive compensation other than in the form of long-term incentives which include stock options granted on a discretionary basis.

The following table below sets out the annual fees paid to WSBC and Radford:

Compensation Fee: WSBC	\$2,500
Compensation Fee: Radford	\$3,000

SUMMARY COMPENSATION TABLE

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO for services provided and for services to be provided, directly or indirectly, to the Company, for each of the Company's three (3) most recently completed fiscal years:

Name and principal position	Year	Salary, management fee, or professional fee (\$)	Share-based awards (\$)	Option-based awards ⁽⁵⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dan Blondal, CEO and Director ⁽¹⁾	2020	200,000	Nil	352,393	Nil	Nil	Nil	162,500 ⁽⁶⁾	714,893
	2019	125,000	Nil	Nil	Nil	Nil	Nil	Nil	125,000
	2018	125,000	Nil	522,340	Nil	Nil	Nil	Nil	647,340
Dan Martino, CFO and Corporate Secretary ⁽²⁾	2020	91,500	Nil	140,957	Nil	Nil	Nil	Nil	232,457
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stephen Campbell, CTO	2020	180,000	Nil	281,915	Nil	Nil	Nil	Nil	461,915
	2019	123,600	Nil	Nil	Nil	Nil	Nil	Nil	123,600
	2018	123,600	Nil	149,240	Nil	Nil	Nil	Nil	272,840
Paul Matysek, Executive Chairman and Director ⁽³⁾	2020	96,000	Nil	211,436	Nil	Nil	Nil	162,500 ⁽⁶⁾	469,936
	2019	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2018	60,000	Nil	391,755	Nil	Nil	Nil	Nil	451,755
John Lando, President and Director ⁽⁴⁾	2020	125,000	Nil	211,436	Nil	Nil	Nil	162,500 ⁽⁶⁾	498,936
	2019	75,000	Nil	Nil	Nil	Nil	Nil	Nil	75,000
	2018	75,000	Nil	298,480	Nil	Nil	Nil	Nil	373,480

- (1) Mr. Blondal receives no compensation for his services as Director.
- (2) CFO compensation is paid to a firm in which Mr. Martino is a principal. Mr. Martino served as CFO from January 20, 2020, onwards.
- (3) Includes amounts paid or accrued to a private corporation controlled by Mr. Matysek for consulting services rendered. Mr. Matysek receives no compensation for his services as Director.
- (4) Mr. Lando was appointed interim CFO effective October 1, 2018, through to January 20, 2020. Mr. Lando receives no compensation for his services as Director.
- (5) The value of stock options was estimated using the Black-Scholes option pricing model for establishing the fair value of stock options based on the following weighted average assumptions:

	December 31, 2020	December 31, 2019	December 31, 2018
Risk-free interest rate	0.3%	Nil	2.4%
Expected life of stock options (years)	3.0	Nil	5.0
Historical volatility	71.4%	Nil	71.3%
Dividend rate	0%	Nil	0%
Weighted average fair value per stock option granted	\$ 1.17	Nil	\$ 1.01

(6) Represents a one-time bonus.

External Management Companies

The NEOs who provide executive management services to the Company through external management companies are Mr. Martino who provides CFO services through Donaldson Brohman Martin, CPA Inc. (a private public practice firm in which Mr. Martino is a principal), and Mr. Matysek who provides Executive Chairman services through Bedrock Capital Corp. (a private corporation that is controlled by Mr. Matysek).

INCENTIVE PLAN AWARDS TABLE

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued, and outstanding to NEOs and/or Directors as at and during the most recently completed fiscal year ended December 31, 2020, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Name	Date of issue	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised Options ⁽¹⁾	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dan Blondal, CEO and Director ⁽³⁾	Nov. 12, 2018 Jul. 20, 2020	700,000 300,000	1.28 2.52	Nov. 12, 2023 Jul. 20, 2023	3,367,000 1,071,000	Nil	Nil	Nil
Dan Martino, CFO and Corporate Secretary ⁽³⁾	Jul. 20, 2020	120,000	2.52	Jul. 20, 2023	428,400	Nil	Nil	Nil
Stephen Campbell, CTO ⁽³⁾	Mar. 10, 2017 Jul. 12, 2018 Nov. 12, 2018 Jul. 20, 2020	15,000 34,950 200,000 240,000	0.70 1.57 1.28 2.52	Mar. 10, 2022 Jul. 12, 2023 Nov. 12, 2023 Jul. 20, 2023	80,850 157,974 962,000 856,800	Nil	Nil	Nil
Paul Matysek, Chairman and Director ⁽³⁾	Nov. 12, 2018 Jul. 20, 2020	525,000 180,000	1.28 2.52	Nov. 12, 2023 Jul. 20, 2023	2,525,250 642,600	Nil	Nil	Nil
John Lando, President and Director ⁽³⁾	Nov. 12, 2018 Jul. 20, 2020	400,000 180,000	1.28 2.52	Nov. 12, 2023 Jul. 20, 2023	1,924,000 642,600	Nil	Nil	Nil

(1) All stock options are fully vested. One common share is issuable on the exercise of each stock option.

(2) The closing price of the Company's common shares on December 31, 2020, was \$6.09.

(3) On February 1, 2021, the Company granted 1,540,000 stock options to NEOs and Directors exercisable at \$5.10 each for three years until February 1, 2024, as follows: 300,000 to Mr. Blondal, 120,000 to Mr. Martino, 240,000 to Mr. Campbell, 180,000 to Mr. Matysek, 180,000 to Mr. Lando, 60,000 to Mr. Brown, and 60,000 to Dr. Guy.

During the year ended December 31, 2020, NEOs and Directors exercised 2,050,000 stock options at \$0.25 per share for proceeds to the Company of \$512,500.

The following table sets forth, for each Named Executive Officer, the value of all awards vested and earned during the fiscal year ended December 31, 2020.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dan Blondal, CEO and Director	352,393	N/A	N/A
Dan Martino, CFO and Corporate Secretary	140,957	N/A	N/A
Stephen Campbell, CTO	281,915	N/A	N/A
Paul Matysek, Chairman and Director	211,436	N/A	N/A
John Lando, President and Director	211,436	N/A	N/A

Notes:

(1) All stock options vested immediately on the date of grant and were issued with exercise prices equal to the closing market price on the date preceding the grants. Accordingly, the values expressed in the table above represent the value of all options granted (and immediately vested) as at and during the fiscal year ended December 31, 2020. The closing price of the Company's common shares on December 31, 2020, was \$6.09.

PENSION PLAN BENEFITS

The Company does not have a pension plan that provides for payments or benefits to a Director or Named Executive Officer. In lieu of a pension plan, the Company has established the Annual Savings Program, see "Compensation and Analysis" above.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The figures within the employment and consulting agreements discussed below are as of the date of this Circular.

Employment: The Company has an executive employment agreement Dan Blondal, CEO and Director for a base salary of \$22,325 per month (\$267,900 annually). Pursuant to this employment agreement, in the case of termination by the Company without cause, Dan Blondal is entitled to six (6) weeks' base pay (or notice) for every year of service to a maximum of twenty-four (24) months. He would not be entitled to further bonus payments after termination. In the case of resignation after a Change of Control and for Good Reason, Mr. Blondal is entitled to twenty-four (24) months' base salary.

The Company also has an executive employment agreement with John Lando, President and Director for a base salary of \$19,583 per month (\$235,000 annually). Upon termination of the executive employment agreement by the Company without cause, John Lando is entitled to six (6) weeks' notice or base pay in lieu for every year of service to a maximum of 18 months' base salary. He would not be entitled to further bonus payments after termination. In the case of resignation after a Change of Control and for Good Reason, Mr. Lando is entitled to eighteen (18) months' base salary.

For both Dan Blondal and John Lando, the employment agreements stipulate "Change of Control" as:

- A merger, a consolidation, a reorganization, or an arrangement that results in a transfer of more than fifty percent (50%) of the total voting power of the Company's outstanding securities to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction
- A direct or indirect sale or other transfer of beneficial ownership of securities of the Company possessing more than 50 percent (50%) of the total combined voting power of the Company's outstanding securities

to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction

- A direct or indirect sale or other transfer of all or substantially all of the assets of the Company to a person or a group of persons different from a person or a group of persons holding those assets immediately prior to such transaction or
- A complete liquidation, dissolution or winding-up of the Company.

The employment agreements also stipulate "Good Reason" as one or more of the following events happening without the Executive's consent:

- Any material adverse change to the Executive's status, position, authority or responsibilities in effect under the Agreement;
- Any material reduction in incentives, health benefits, bonuses or other compensation plans, practices, policies or programs provided to the Executive in the aggregate under the Agreement;
- An assignment to the Executive of any duties inconsistent with his/her status as an executive of the Company;
- Any action or inaction by the Company that constitutes constructive dismissal at common law; and

Any failure to secure the agreement of any successor to fully assume the Company's obligations under the contract.

Consulting: The Company has an arrangement with Paul Matysek, Chairman and Director for a consulting fee of \$12,500 per month (\$150,000 annually), payable to Bedrock Capital Corporation (the "Consultant"), a company controlled by Paul Matysek. In the event of a change of control in the Company, and if within six months of the change of control there is a material change in the Consultant's position as Chairman and Director of the Company, without the Consultant's express consent, the Consultant has the election to terminate the Consulting Agreement within one month following the material change, and the Company shall within 30 days of the election date, make a payment of \$30,000 to the Consultant. Either party may terminate the Consulting Agreement by giving the other party six months advance written notice of their intention to terminate the Consulting Agreement.

Except as noted above, management functions of the Company are substantially performed by Directors or Executive Officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

DIRECTOR COMPENSATION

For the fiscal year ended December 31, 2020, the Board of Directors (the "Board") (after considering the recommendations of the Compensation Committee) had the responsibility of establishing the compensation to be paid to the Directors of the Company. The Board, directly or through one of its committees, reviews the compensation payable to the Directors at least once a year, considering the Company's financial situation.

Two of the Company's Directors (Mr. Lyle Brown, and Dr. Joseph Guy) are compensated by the Company for their services in their capacity as Directors for fees of \$1,500 per month (\$18,000 annually), plus \$750 per month (\$9,000 annually) for holding positions as Audit Committee chair, and Compensation Committee chair, respectively. Additionally, Directors are granted from time-to-time incentive stock options in accordance with the Option Plan and the Exchange. The granting of incentive stock options provides a link between Director compensation and the Company's share price. It also rewards Directors for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board will consider: the number and terms of outstanding incentive stock options held by each Director; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Option Plan and the Exchange. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Option Plan, which are described under "*Statement of Executive Compensation - Stock Option Plans and Other Incentive Plans*" above. The Directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as Directors.

Director Compensation Table

During the fiscal year ended December 31, 2020, the aggregate amount paid to the Directors who were not also NEOs, as compensation for their services as Directors and members of Committees of the Board amounted to \$79,000 in cash payments or \$219,958 in total compensation (after including the fair value of stock options granted and vesting during the fiscal year then ended using the Black-Scholes option pricing model).

The following table details the compensation paid to the Company's Directors (other than NEOs) for their service as Directors for the fiscal year ended December 31, 2020.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation ⁽²⁾ (\$)	Total (\$)
Lyle Brown, Director	27,000	Nil	70,479	Nil	N/A	12,500	109,979
Dr. Joseph Guy, Director ⁽³⁾	218,635	Nil	70,479	Nil	N/A	12,500	301,614

Notes:

- (1) The value of stock options was estimated using the Black-Scholes option pricing model for establishing the fair value of stock options based on the following weighted average assumptions:

	December 31, 2020
Risk-free interest rate	0.3%
Expected life of stock options (years)	3.0
Historical volatility	71.4%
Dividend rate	0%
Weighted average fair value per stock option granted	\$ 1.17

- (2) Represents a one-time bonus.
 (3) Includes \$191,635 paid to a private corporation controlled by Dr. Guy for services relating to patent filings, maintenance, and applications, and \$27,000 for services as a Director.

The following table summarizes out all outstanding compensation securities granted or issued to Directors (who are not also NEOs) that remained outstanding as at the end of the fiscal year ended December 31, 2020.

Name	Date of issue	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised Options ⁽¹⁾	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Lyle Brown, Director ⁽³⁾	Nov. 12, 2018 Jul. 20, 2020	150,000 60,000	1.28 2.52	Nov. 12, 2023 Jul. 20, 2023	721,500 214,200	Nil	Nil	Nil
Dr. Joseph Guy, Director ⁽³⁾	Nov. 12, 2018 Jul. 20, 2020	150,000 60,000	1.28 2.52	Nov. 12, 2023 Jul. 20, 2023	721,500 214,200	Nil	Nil	Nil

Notes:

- (1) All stock options are fully vested. One common share is issuable on the exercise of each stock option.
 (2) The closing price of the Company's common shares on December 31, 2020, was \$6.09.

The following table sets forth, for each Director (who is not also an NEO), the value of all awards vested and earned during the fiscal year ended December 31, 2020.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lyle Brown, Director	70,479	N/A	N/A
Dr. Joseph Guy, Director	70,479	N/A	N/A

Notes:

(1) All stock options vested immediately on the date of grant and were issued with exercise prices equal to the closing market price on the date preceding the grants. Accordingly, the values expressed in the table above represent the value of all options granted (and immediately vested) as at and during the fiscal year ended December 31, 2020. The closing price of the Company's common shares on December 31, 2020, was \$6.09.

STOCK OPTION PLAN AND OTHER INCENTIVE PLANS

At the Meeting, the Company will propose the approval by shareholders of its newly adopted Omnibus Equity Incentive Plan (“Equity Incentive Plan”) which was adopted by the Board of Directors of the Company on June 18, 2021. This Equity Incentive Plan will replace the Company’s former Stock Option Plan, which was most recently approved by the shareholders on July 23, 2020. Notwithstanding the foregoing, pursuant to the terms of the Equity Incentive Plan, all outstanding options granted under the Option Plan will be governed by the Omnibus Plan, unless the Option Plan is more beneficial, in which case the terms of the Option Plan will apply for the benefit of the option holder.

The purpose of the Equity Incentive Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Company, to reward those Directors, employees and consultants as may be granted Awards by the Board from time to time for their contributions. Further, the purpose of the Equity Incentive Plan is to align Directors, employees and consultants with the interests of the shareholders and the long-term goals and success of the Company and to also enable and encourage such Directors, employees and consultants to acquire common shares as long-term investments and proprietary interests in the Company.

The Equity Incentive Plan is considered an “evergreen” plan, since the common shares covered by Awards (defined below) which have been exercised or terminated will be available for subsequent grants under the Equity Incentive Plan and the number of Awards available to grant increases as the number of issued and outstanding common shares increases. Additionally, the Company must seek shareholder approval for an evergreen plan every three years.

Types of Awards

The Equity Incentive Plan provides for the grant of Options, DSUs, RSUs, PSUs and Other Share-Based Awards (each more fully described below and collectively, the “Awards”) which may be denominated or settled in common shares, cash or in such other forms as provided for in the Equity Incentive Plan. The aggregate number of common shares reserved for issuance pursuant to awards granted under the Equity Incentive Plan (including any predecessor options granted under the 2017 Option Plan) shall not exceed 10% of the Company’s total issued and outstanding common shares from time to time. All Awards will be evidenced by an agreement or other instrument or document (an “Award Agreement”).

Additionally, in any year, under the terms of the Equity Incentive Plan and any other compensation plan that may be in place from time to time, the maximum annual individual non-executive Director limit shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of stock options; excluding awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a Director upon such Director joining the Board).

Plan Administration

The Equity Incentive Plan will be administered by the Board, which may delegate its authority to any duly authorized committee of the Board (the “Plan Administrator”). The Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals (the “Participants”) to whom grants of Awards under the Equity Incentive Plan may be made;
- (b) make grants of Awards under the Equity Incentive Plan, whether relating to the issuance of common shares or otherwise (including any combination of Options, DSUs, RSUs, PSUs or Other Share-Based Awards, defined below), in such amounts, to such eligible persons and, subject to the provisions of the Equity Incentive Plan, on such terms and conditions as it determines, including, without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which: (A) Awards may be granted to Participants; or (B) Awards may be forfeited to the Company, including vesting and any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of common shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of common shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the common shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) 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 Award Agreements;
- (d) 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 Equity Incentive Plan;
- (e) construe and interpret the Equity Incentive Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Equity Incentive Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Notwithstanding the foregoing, the grant of any Other Share-Based Awards that are not Options, DSUs, RSUs or PSUs will be subject to Exchange and shareholder approval (as applicable).

Under the terms of the Equity Incentive Plan, “*Market Price*” is defined as, with respect to one common share as of any date, (a) if the common shares are listed on the Exchange, the price of one common share at the close of the regular trading session of such market or exchange on the last trading day prior to such date, and if no sale of common shares shall have occurred on such date, on the next preceding date on which there was a sale of common shares; (b) if the common shares are not so listed on an established stock exchange, the average of the closing “bid” and “asked” prices quoted by the OTC Markets, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted “bid” and “asked” prices on such date, on the next preceding date for which there are such quotes for a common share; or (c) if the common shares are not publicly traded as of such date, the per share value of one common share, as determined by the Board, or any duly authorized committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto, and with respect to Options awarded to U.S Taxpayers, such valuation principles will be in accordance with U.S. Treasury Regulation Section 1.409A-1(b)(5)(iv)(B)(1).

Description of Awards

Subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, including with respect to performance and vesting conditions, the Plan Administrator may, from time to time, grant the following types of Awards to any Participant:

Options

An Option entitles a holder thereof to purchase a common share at an exercise price set at the time of the grant, which price must in all cases be not less than the Market Price on the date of grant. Each Option will expire on the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the date of grant) or, if not so specified, the tenth anniversary of the date of grant. The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options and will establish the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the Market Price on the date of grant.

Deferred Share Units (“DSUs”)

A DSU is a unit that vests immediately upon grant but does not settle until a future date, generally as established in the Award Agreement, or if not so established, then upon termination of service with the Company. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in DSUs, as determined by the Plan Administrator, by (b) the Market Price of a Share on the date of grant.

DSUs shall be settled on the date established in the Award Agreement; provided, however that in no event shall a DSU be settled prior to a Participant’s Termination Date (as defined in the Equity Incentive Plan attached hereto as Appendix 3), or later than one (1) year following, the date of the applicable Participant’s Termination Date. In no event shall a DSU Award be settled later than three (3) years following the date of the applicable Participant’s separation from service. Subject to the terms of the Equity Incentive Plan, and except as otherwise provided in an Award Agreement, on the settlement date for any DSU, each vested DSU will be redeemed for a common share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, DSUs will be credited with dividend equivalents in the form of additional DSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the DSUs to which they relate.

Restricted Share Units (“RSUs”)

A RSU is a unit equivalent in value to a common share that does not vest until after a specified period, or satisfaction of other vesting conditions as determined by the Plan Administrator. The number of RSUs (including fractional RSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price of a common share on the date of grant.

The Plan Administrator will have the sole authority to determine the vesting terms applicable to the grant of RSUs. Subject to the terms of the Equity Incentive Plan, and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, each vested RSU will be redeemed for a common share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, RSUs will be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the RSUs to which they relate.

Performance Share Units (“PSUs”)

A PSU is a unit equivalent in value to a common share that does not vest until after a specified period, or satisfaction of other vesting conditions as determined by the Plan Administrator. The Plan Administrator will issue performance goals prior to the date of grant to which such performance goals pertain. The performance goals may be based upon the achievement of corporate, divisional or individual goals and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the performance goals as necessary to align them with the Company’s corporate objectives, subject to any limitations set forth in an Award Agreement or other agreement with a

Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, PSUs will be credited with dividend equivalents in the form of additional PSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the PSUs to which they relate.

Each PSU will consist of a right to receive a common share, cash payment, or a combination thereof, upon the achievement of such performance goals during such performance periods as the Plan Administrator may establish.

Other Share-Based Awards

Each "Other Share-Based Award" shall consist of a right (a) which is other than an Award or right described above, and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, common shares (including, without limitation, securities convertible into common shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Equity Incentive Plan; provided, however, that such right will comply with applicable law. Subject to the terms of the Equity Incentive Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards.

Common shares Available for Awards

The aggregate number of common shares: (a) issuable to insiders at any time under the Equity Incentive Plan (which, for greater certainty, includes grants under the former Stock Option Plan) (the "Security Based Compensation Arrangements") may not exceed 10% of the Company's total issued and outstanding common shares; and (b) issued to insiders within any one-year period, under all of the Company's Security Based Compensation Arrangements may not exceed 10% of the Company's total issued and outstanding common shares. As at December 31, 2020, 8,823,754 common shares represented 10% of the outstanding common shares of the Company. As at the date of this Circular, 9,542,940 common shares represent 10% of the outstanding common shares of the Company. The aggregate number of outstanding securities awarded under the Company's Security Based Compensation Arrangements currently stands at 6,253,931, representing 6.6% of Nano One's total issued and outstanding common shares. The aggregate number of common shares remaining available for future issuance under the Equity Incentive Plan is 3,289,009, representing 3.4% of Nano One's total issued and outstanding common shares.

Blackout Period

In the event that the date of grant of an Award occurs, or an Award expires, at a time when an undisclosed material change or material fact in the affairs of the Company exists, the effective date of grant, or expiry of, such Award, as the case may be, will be no later than 10 business days after which there is no longer such undisclosed material change or material fact, and the Market Price with respect to the grant of such Award will be calculated based on the closing price of the common shares on the last trading day immediately preceding the effective date of grant. Notwithstanding the foregoing, in no event will the expiry date extend beyond ten years from the date of grant, and with respect to ISOs awarded to 10% owners (as described in Section 12.3 of the Equity Incentive Plan) in no event will the expiry date extend beyond five years from the date of grant. With respect to a U.S. Awardee, the application of the blackout period shall be made in the Company's sole discretion in accordance with the United States Internal Revenue Code of 1986, as amended from time to time (the "Code") and Section 409A thereof.

Effect of Termination on Options and Other Awards

The below table describes the impact of certain events upon the Participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement with respect to treatment of Options, subject, in each case, to the terms of a Participant's employment agreement, Award Agreement or other written agreement. With respect to Awards other than Options, the treatment of such Awards upon various types of termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any Award will be determined by the Plan Administrator and by the other terms and conditions of any Award, all as set out in the applicable Award Agreement.

Event Provisions	Provisions
Termination for cause	Forfeiture of any unexercised Option.
Resignation and Termination without cause	Any unvested Options held by the Participant as of the Termination Date (as defined in the Equity Incentive Plan attached hereto as Appendix 3) shall be immediately forfeited and cancelled as of the Termination Date and any vested Options held by the Participant as of the Termination Date may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the date that is 90 days after the Termination Date. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.
Death	Any Option held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the third anniversary of the date of the death of such Participant. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.
Retirement	A retirement Option continues to vest in accordance with its terms and may be exercised or surrendered to the Company at any time during the period that terminates on the earlier of the expiry date and three years after retirement date to exercise. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period. If the Participant commences employment following retirement, any Option held by the Participant that has not been exercised as of such date is immediately forfeited.
Disability	Any Option held by the Participant that has not vested as of the date of the disability of such Participant shall continue to vest in accordance with its terms and may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the third anniversary of the Participant's date of disability. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator and with respect to Awards to U.S. Taxpayers, in a manner that does not result in adverse tax consequences under Section 409A of the Code.

Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant, and except with respect to DSUs, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause:

- (a) the conversion or exchange of any outstanding Awards into or for rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (as defined in the Equity Incentive Plan);
- (b) outstanding Awards to vest and become exercisable, realizable or payable, or 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;
- (c) 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 exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant and subject to any withholding taxes, if applicable (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 exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Company without payment);
- (d) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or
- (e) any combination of the foregoing.

In taking any of the foregoing actions, the Plan Administrator will not be required to treat all Awards similarly in the transaction.

Notwithstanding the foregoing, and unless otherwise determined by the Plan Administrator or as set out in the Equity Incentive Plan, if, as a result of a Change in Control, the common shares will cease trading on the Exchange, the Company may terminate all of the Awards granted under the Equity Incentive Plan (other than Options held by Canadian Taxpayers) at the time of and subject to the completion of the Change in Control by paying to each holder an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably. In the case of Options held by a Canadian Taxpayer by permitting the Canadian Taxpayer to surrender such Options to the Company for an amount for each such Option equal to the fair market value of such Option as determined by the Plan Administrator, acting reasonably, upon the completion of the Change in Control (following which such Options may be cancelled for no consideration).

Assignability

Except as required by law, the rights of a Participant under the Equity Incentive Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

Amendment, Suspension or Termination of the Equity Incentive Plan

The Plan Administrator may from time to time, without notice and without approval of the shareholders, amend, modify, change, suspend or terminate the Equity Incentive Plan or any Awards granted pursuant thereunder as it, in its discretion, determines appropriate, provided, however, that: (a) no such amendment, modification, change, suspension or termination may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Equity Incentive 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 Securities Laws or Exchange requirements; (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code will be null and void with respect to the U.S. Taxpayer unless his or her consent is obtained; and (c) any amendments to the Equity Incentive Plan or to any Awards granted pursuant to the Equity Incentive Plan are subject to Exchange approval (including such amendments that do not otherwise trigger approval of the holders of voting common shares of the Company).

Without limiting the generality of the foregoing, but subject to the below, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Equity Incentive Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;

- (b) making any amendment regarding the effect of termination of a participant's employment or engagement;
- (c) making any amendments to add covenants of the Company for the protection of Participants, provided that the Plan Administrator must be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants;
- (d) making any amendments not inconsistent with the Equity Incentive Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator must be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and non-employee directors;
- (e) amending or modifying the Equity Incentive Plan to the extent the Plan Administrator in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A of the Code or other tax regulation; or
- (f) making such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator must be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

Notwithstanding the foregoing and subject to any rules of the Exchange, shareholder approval (including by way of disinterested shareholder approval where required by the Exchange) will be required for any amendment, modification or change that:

- (a) increases the percentage of common shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increases or removes the 10% limits on common shares issuable or issued to insiders;
- (c) if the Company is subject to the policies of the TSX Venture Exchange, allows for the grant to insiders (as a group), within a 12 month period, an aggregate number of Awards exceeding 10% of the Company's issued common shares, calculated at the date the Award is granted to the insider;
- (d) if the Company is subject to the policies of the TSX Venture Exchange, allows for the grant to any one Participant, within a 12 month period, an aggregate number of Awards exceeding 5% of the Company's issued common shares, calculated at the date the Award is granted to the insider;
- (e) reduces the exercise price of an Award, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (f) extends the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the Participant or within five business days following the expiry of such a blackout period);
- (g) permits an Award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (h) increases or removes the non-employee director participation limits;
- (i) permits Awards to be transferred to a person;
- (j) changes the eligible participants of the Equity Incentive Plan; or
- (k) deletes or reduces the range of amendments which require shareholder approval.

ISOs for U.S. Participants

Subject to any limitations in the Equity Incentive Plan, the aggregate number of common shares reserved for issuance in respect of granted incentive stock options ("ISOs") shall not exceed 9,531,065 common shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the date of grant, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions,

limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may be granted to any employee of the Company, or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Sections 424(e) and (f) of the Code. No ISOs may be granted more than ten (10) years after the earlier of (i) the date on which the Board adopts the most recent amendment and restatement of the Plan, or (ii) the date on which the shareholders of the Company approve such most recent amendment and restatement of the Plan. An ISO may be exercised during the Participant’s lifetime only by such the Participant. An ISO may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by the Participant, except by will or by the laws of descent and distribution

The term of an ISO shall not exceed ten (10) years, and the exercise price of an ISO shall be not less than one hundred percent (100%) of the Market Price on the applicable grant date; provided, however, that if an ISO is granted to a person who owns common shares representing more than 10% of the voting power of all classes of common shares of the Company or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the date of grant, the term of the ISO shall not exceed five years from the time of grant of such ISO and the Exercise Price shall be at least 110% of the Market Price of the common shares subject to the ISO.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company’s most recently completed fiscal year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

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	4,604,075	\$1.66	4,219,679
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	4,604,075	\$1.66	4,219,679

The table below summarizes the burn rates in connection with the Company's Option Plan during the fiscal years ended December 31, 2018, 2019 and 2020.

	2020	2019	2018
Burn Rate ⁽¹⁾	1.90%	0.29%	4.70%

Notes:

(1) Burn rate represents: (total stock options granted during the applicable fiscal year) ÷ (weighted average of total common shares issued and outstanding for the applicable fiscal year). The weighted average number of common shares outstanding during the fiscal year is the number of common shares outstanding at the beginning of the period, adjusted by the number of common shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the common shares are outstanding as a proportion of the total number of days in the year.

For further information on the Option Plan and Equity Incentive Plan, see “Statement of Executive Compensation - Stock Option Plan and Other Incentive Plans”, above.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's most recently completed fiscal year, no informed person of the Company, nominee for Director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a Director or executive Officer of the Company; (b) a Director or executive Officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its common shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors. For the purpose of this paragraph, "Person" shall include each person or company: (a) who has been a Director or executive Officer of the Company at any time since the commencement of the Company's last fiscal year; (b) who is a proposed nominee for election as a Director of the Company; and (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the Company's last completed fiscal year, no current or former executive Officer, Director or employee of the Company or any of its subsidiaries, proposed nominee for election as a Director of the Company or associate of any Director or executive Officer of the Company or proposed nominee is or has been indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been 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, other than routine indebtedness.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Company's approach to corporate governance is set forth below.

Board of Directors

Section 1.4 of National Instrument 52-110 - *Audit Committees* ("NI 52-110") sets out the standard for Director independence for the purposes of NI 58-101. Under section 1.4 of NI 52-110, a Director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Director's independent judgment. NI 52-110 also sets out certain situations where a Director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in section 1.4 of NI 52-110, two of the six current members of the Board are independent, being Mr. Lyle Brown and Mr. Gord Kukec. Dan Blondal, Paul Matysek, and John Lando are not considered to be independent due to their position as executive Officers of the Company. Dr. Joseph Guy is not considered to be independent due fees charged to the Company by a private company controlled by Dr. Joseph Guy for patent filing, application, and maintenance services. The Company is working towards a majority independence inline with best practices, with the expectation of having a majority independent board by January 2022.

Directorships

In addition to their positions on the Board, the following Directors also serve as Directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Paul Matysek	Forsys Metals Corp. Nevada King Gold Corp. (formerly Victory Metals Inc.)
Lyle Brown	FEC Resources Inc.

Orientation and Continuing Education

Board turnover is relatively rare. As a result, the Board provides ad hoc orientation for new Directors.

On occasions where it is considered advisable, the Board will provide Directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each Director is up to date with current information regarding the business of the Company, the role the Director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise.

Ethical Business Conduct

Directors, Officers and employees are required as a function of their Directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

Nomination of Directors

The Board as a whole is responsible for reviewing the composition of the Board on a periodic basis. The Board analyzes the needs of the Board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

Compensation

The Board as a whole review and approve all matters relating to compensation of the Directors and executive Officers of the Company upon recommendations of the Compensation Committee. See "*Statement of Executive Compensation - Oversight and Description of Director and Named Executive Officer Compensation*" above.

Other Board Committees

The Board has two committees: (i) Audit Committee; and (ii) Compensation Committee.

Assessments

The entire Board is responsible for assessing the effectiveness of the Board, its members and the committees of the Board, in consultation with the chair of each committee. The Board has not adopted formal procedures for assessing the effectiveness of the Board, its committees or its members based on the Company's size and its stage of development.

AUDIT COMMITTEE DISCLOSURE

Audit Committee

As at the date hereof, the Audit Committee is composed of:

Lyle Brown	Independent	Financially Literate
John Lando	Not independent	Financially Literate
Dr. Joseph Guy	Not independent	Financially Literate

All of the members of the Audit Committee are “financially literate” and Lyle Brown is “independent” within the meaning of sections 1.4, 1.5 and 1.6 of NI 52-110. Pursuant to section 1.4 of NI 52-110, John Lando and Joseph Guy are not considered independent.

The Company must also, pursuant to the provisions of NI 52-110 have a written charter which sets out the duties and responsibilities of its audit committee. The text of the Audit Committee's Charter is attached as Appendix 1 to this Circular.

Reliance on Certain Exemptions

The Company is relying on the exemption provided by section 6.1 of NI 52-110 by virtue of the fact that presently, it is considered a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

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

Relevant Education and Experience

Mr. Brown, chair of the Audit Committee, is a Chartered Professional Accountant. He has a clear understanding of the accounting principles used by the Company to prepare its financial statements; has the ability to assess the general application of such accounting principles in connection with the accounting for estimates and accruals; has experience actively supervising one or more individuals engaged in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and has an understanding of internal controls and procedures for financial reporting.

Mr. Lando's industry experience in the management and administration of publicly traded companies provides him with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting.

Dr. Guy's experience in corporate research, management and intellectual property provides him with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently Davidson & Company LLP) not adopted by the Board.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board, and where applicable by the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Fiscal Year Ending	Audit Fees ⁽³⁾	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees
December 31, 2020	\$32,500	\$10,000	NIL	\$23,500
December 31, 2019	\$35,000	NIL	\$12,475	\$2,375

- (1) Audit Related Fees are aggregate fees for assurance and related services relating to the performance of the audit or review of the Company's financial statements, which are not included in audit fees.
- (2) Tax Fees are aggregate fees for professional services rendered in connection with corporate tax compliance, corporate tax advice, and corporate tax planning. These fees were for assistance provided to the Company in the preparation and filing of its annual corporate tax returns.
- (3) Audit fees paid during the fiscal year ended December 31, 2020, relate to the audit of the Company's annual financial statements for the year ended December 31, 2019 (December 31, 2019 – relate to the audit of the Company's annual financial statements for the year ended December 31, 2018).

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website located at www.sedar.com under "Company Profiles - Nano One Materials Corp".

Financial information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis ("MD&A") for its most recently completed fiscal year.

Shareholders wishing to obtain a copy of the Company's financial statements and MD&A may obtain them free of charge on SEDAR at www.sedar.com, or may contact the Company as follows:

Nano One Materials Corp.
Unit 101B, 8575 Government Street
Burnaby, B.C. V3N 4V1
Telephone: 604-420-2041
Fax: 604-687-4670
E-mail: info@nanoone.ca

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, it is the intention of the persons designated by management of the Company in the form of proxy accompanying this Circular to vote the common shares represented thereby in accordance with their best judgment on such matter.

BOARD APPROVAL

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

DATED at Vancouver, British Columbia, the 7th day of September, 2021.

ON BEHALF OF THE BOARD OF NANO ONE MATERIALS CORP.

"Dan Blondal"

Dan Blondal

Chief Executive Officer

APPENDIX 1

Charter of the Audit Committee of the Board of Directors of Nano One Materials Corp. (the “Company”)

MANDATE

The primary function of the audit committee (the “**Committee**”) of Nano One Materials Corp. (the “**Company**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors (the “**Auditor**”).
- Provide an open avenue of communication among the Company’s auditors, management and the Board of Directors.

COMPOSITION AND ORGANIZATION

The Committee shall consist of at least three members. No member of the Committee shall be an officer or employee of the Company or any of its affiliates for the purposes of the applicable corporate statute. The members of the Committee shall meet all applicable securities laws, instruments, rules and policies and regulatory requirements and their respective applicable exemptions (collectively “**Applicable Laws**”), including those relating to independence and financial literacy subject to applicable exemptions under Applicable Laws.

All members of the Committee shall have financial management experience and be financially literate. For the purposes of this Charter, the term “financially literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements. At least one member of the Audit Committee shall be a financial expert as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Company, the applicable stock exchanges on which the Company’s securities are listed and applicable securities regulatory authorities.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Board of Directors may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

MEETINGS OF THE COMMITTEE

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members 24 hours’ advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company’s annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

1. Review the Company's financial statements, including any certification, report, opinion, or review rendered by the Auditor, Management's Discussion and Analysis ("MD&A"), annual information form and any annual and interim financial information press releases before the Company publicly discloses such information.
2. Review and satisfy itself that adequate procedures are in place and review the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
3. Be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Company.
4. Require the Auditor to report directly to the Committee.
5. Review annually the performance of the Auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
6. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.
7. Take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the Auditor.
8. Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment and the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor, from time to time.
9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Company.
10. Review with management and the Auditor the audit plan for the annual financial statements.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - a. the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Company and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;

- b. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - c. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.
12. The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.
 13. In consultation with the Auditor, review with management the integrity of the Company's financial reporting process, both internal and external.
 14. Consider the Auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
 15. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the Auditor and management.
 16. Review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments.
 17. Following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.
 18. Review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements.
 19. Review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
 20. Discuss with the Auditor the Auditor's perception of the Company's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information.
 21. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
 22. Review and assess, on a quarterly basis, management's risk assessment and risk management strategies including hedging and derivative strategies.
 23. Oversee and assess management's controls and processes to prevent and detect fraud.
 24. Review the financial reporting of any transaction between the Company and any officer, director or other "related party" (including any shareholder holding an interest greater than 5% in the Company) or any entity in which any such person has a financial interest.
 25. Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
 26. Report regularly and on a timely basis to the Board of Directors on the matters coming before the Committee.

27. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

AUTHORITY

The Committee is authorized to:

- to seek any information it requires from any employee of the Company in order to perform its duties;
- to engage, at the Company's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- to set and pay compensation for any advisors engaged by the Committee; and
- to communicate directly with the internal and external auditors of the Company.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

OVERSIGHT FUNCTION

While the Committee has the responsibilities and powers set out in this Charter, the members of the Committee are members of the Board of Directors who are appointed to provide broad oversight of the Company's day to day operations. It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with international financial reporting standards. This is the responsibility of management (with respect to whom the Committee performs an oversight function) and the Auditors.

APPENDIX 2

NANO ONE MATERIALS CORP.

ARTICLE AMENDMENTS AND ADVANCE NOTICE PROVISIONS

See attached document.

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NANO ONE MATERIALS CORP.

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PROVINCE OF BRITISH COLUMBIA

Business Corporations Act
ARTICLES
OF
NANO ONE MATERIALS CORP.
(the "Company")

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;
- (b) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) "*Interpretation Act*" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) "legal personal representative" means the personal or other legal representative of the shareholder;
- (e) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;
- (f) "seal" means the seal of the Company, if any;
- (g) "solicitor of the Company" means any partner, associate or articled student of the law firm retained by the Company in respect of the matter in connection with which the term is used.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to and form a part of these Articles. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company shall be in such form as the directors may determine and approve and must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Shares may be issued without a share certificate or written acknowledgment. Upon request, however, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgment is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

- (a) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (b) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (1) past services performed for the Company;
 - (2) property; or
 - (3) money; and

- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

The Company must maintain a central securities register in accordance with the provisions of the *Business Corporations Act*. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Private Issuer Restrictions

The provisions of Article 27 shall apply to any proposed transfer of a share of the Company.

5.2 Registering Transfers where Certificate or Acknowledgement

A transfer of a share of the Company for which a share certificate has been issued or for which the shareholder has received a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (a) an instrument of transfer, duly executed by the transferor or a duly authorized attorney of the transferor, in respect of the share;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;

- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and
- (d) such other evidence, if any, as the directors or the transfer agent may require to prove the title of the transferor or his duly authorized attorney or the right to transfer the shares, and the right of the transferee to have the transfer registered.

5.3 Registering Transfers where no Certificate or Acknowledgement

A transfer of a share of the Company for which a share certificate has not been issued or for which the shareholder has not received a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate (for example, where shares are issued in book-only form), must not be registered unless the requirements for transfer as approved by the directors have been met.

5.4 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.5 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.6 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.7 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.8 Transfer Agent

The Company may appoint one or more trust companies or agents as its transfer agent for the purpose of issuing, countersigning, registering, transferring and certifying the shares and share certificates of the Company.

5.9 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative of the shareholder, in the case of shares registered in the shareholders' name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

Subject to Article 6.1, on death or bankruptcy, the legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

6.3 Registration of Legal Personal Representative

Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder shall, upon such documents and evidence being produced to the Company as the *Business Corporations Act* requires, or who becomes entitled to a share as a result of an order of a court of competent jurisdiction or a statute, has the right either to be registered as a shareholder in his representative capacity in respect of such share, or, if he is a personal representative, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

7. PURCHASE AND REDEMPTION OF SHARES

7.1 Company Authorized to Purchase or Redeem Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms the directors determine. The Company may, by a resolution of directors, cancel any of its shares

purchased by the Company, and upon the cancellation of such shares the number of issued shares shall be reduced accordingly.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share purchased, redeemed or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (a) either by directors' resolution or by ordinary resolution, at the election of the directors in their sole discretion:
 - (1) create one or more classes of shares or, if none of the shares of a class are allotted or issued, eliminate that class of shares;
 - (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (4) if the Company is authorized to issue shares of a class of shares with par value:
 - decrease the par value of those shares; or
 - 11 if none of the shares of that class of shares are allotted or issued, increase the parvalue of those shares;
 - (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
 - (6) alter the identifying name of any of its shares;
 - (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*; or
- (b) by ordinary resolution otherwise alter its shares or authorized share structure; and

alter its Articles and Notice of Articles accordingly.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may:

- (a) By ordinary resolution alter the Articles to create, vary or delete any special rights or restrictions for, and attach those special rights or restrictions to, or modify those special rights or restrictions of, the shares of any class; and
- (b) By directors' resolution or by ordinary resolution, as permitted under the Articles or pursuant to the *Business Corporations Act*, create, vary or delete any special rights or restrictions for, and attach those special rights or restrictions to, or modify those special rights or restrictions of, the shares of any series of shares;

and alter its Articles and Notice of Articles accordingly.

9.3 Change of Name

The Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (a) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
- (b) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and thereafter must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Consent Resolution Instead of Meeting of Shareholders

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution and any notice of a general meeting, class meeting or series meeting or to consider approving the adoption of an amalgamation agreement, the approval of any amalgamation into a foreign jurisdiction or the approval of any arrangement), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

10.5 A Notice of Resolution to Which Shareholders May Dissent

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent and a copy of the proposed resolution at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (1) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (2) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.10 Location of Meetings of Shareholders

The Company will hold meetings of shareholders in British Columbia, subject to the directors, by resolution, approving a location for such meetings outside of British Columbia.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (1) business relating to the conduct of or voting at the meeting;
 - (2) consideration of any financial statements of the Company presented to the meeting;
 - (3) consideration of any reports of the directors or auditor;
 - (4) the setting or changing of the number of directors;
 - (5) the election or appointment of directors;
 - (6) the appointment of an auditor;
 - (7) the setting of the remuneration of an auditor;
 - (8) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (9) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Majority Required for a Special Resolution

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is ~~one person~~ at least two persons who ~~is~~ are shareholders, or who ~~is~~ are otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to these articles, present in person or by proxy holding 25% or more of the shares entitled to vote at the meeting of shareholders.

11.4 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any solicitor for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.5 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.6 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.6(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.8 Chair

The following individuals are entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if no chair of the board exists or is present and willing to act as chair of the meeting, the president of the Company; or

- (c) if the chair of the board, and the president of the Company are absent or unwilling to act as chair of the meeting, the solicitor of the Company.

11.9 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, and the solicitor of the Company is absent or unwilling to act as chair of the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.10 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.11 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.12 Decisions by Show of Hands, Verbal Statements, or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy. In determining the result of a vote by show of hands, shareholders present by telephone or other communications medium in which all shareholders and proxy holders entitled to attend and participate in voting at the meeting are able to communicate with each other, may indicate their vote verbally or, otherwise in such manner as clearly evidences their vote and is accepted by the chair of the meeting.

11.13 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.14 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.15 Casting Vote

In case of an equality of votes either on a show of hands or on a poll, the chair of a meeting of shareholders will have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.16 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (1) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (2) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.17 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.18 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.19 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.20 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.21 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.22 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any

shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting of shareholders, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:
 - (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the

notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

- (2) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (b) if a representative is appointed under this Article 12.5:
- (1) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (2) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 Proxy Holder Need Not Be Shareholder

A person who is appointed as a proxy holder need not be a shareholder of the Company.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder-printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

If the Company is not a pre-existing company under the *Business Corporations Act*, the first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors if applicable;
- (b) if the Company is a public company, the greater of three and the most recently set of:
 - (1) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (2) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (1) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (2) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(b)(1) or 13.1(c)(1):

- (a) the shareholders may contemporaneously elect or appoint the directors up to that number; and
- (b) subject to Article 14.8, if the shareholders do not contemporaneously elect or appoint the number of directors set resulting in vacancies, then the directors may appoint, or failing which the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors set under these Articles from time to time; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (a) when his or her successor is elected or appointed; and
- (b) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, then failing the filling of any vacancies as set forth in Article 14.6, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a solicitor for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

~~Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.~~

15.2 Notice of Meetings

~~Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.~~

15.3 Alternate for More Than One Director Attending Meetings

~~A person may be appointed as an alternate director by more than one director, and an alternate director:~~

- ~~(a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;~~
- ~~(b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;~~
- ~~(c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;~~
- ~~(d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.~~

15.4 Consent Resolutions

~~Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.~~

15.5 Alternate Director Not an Agent

~~Every alternate director is deemed not to be the agent of his or her appointor.~~

15.6 Revocation of Appointment of Alternate Director

~~An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.~~

~~15.7 — Ceasing to be an Alternate Director~~

~~The appointment of an alternate director ceases when:~~

- ~~(a) — his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;~~
- ~~(b) — the alternate director dies;~~
- ~~(c) — the alternate director resigns as an alternate director by notice in writing provided to the Company or a solicitor for the Company;~~
- ~~(d) — the alternate director ceases to be qualified to act as a director; or~~
- ~~(e) — his or her appointor revokes the appointment of the alternate director.~~

~~15.8 — Remuneration and Expenses of Alternate Director~~

~~The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.~~

15. POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

15.3 Setting the Remuneration of Auditors

The directors may from time to time set the remuneration of the auditors of the Company.

16. DISCLOSURE OF INTERESTS OF DIRECTORS AND OFFICERS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

~~17~~16.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

~~17~~16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

17. PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (1) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (2) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (3) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (a) in person;
- (b) by telephone; or
- (c) with the consent of all directors, by other communications medium;

if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article ~~18~~7.4 is

deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the president, secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 187.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors ~~and the alternate directors~~ by any method set out in Article 243.1 or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director ~~or an alternate director~~ if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director ~~or alternate director, as the case may be,~~ has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director ~~or alternate director,~~ does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director ~~or alternate director~~ may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, ~~to his or her alternate director,~~ and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director ~~or alternate director~~. Attendance of a director ~~or alternate director~~ is a waiver of notice of the meeting unless that director ~~or alternate director~~ attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of the directors then in office or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.1217.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, e-mail or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article ~~18~~7.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

18. EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
 - (1) the power to fill vacancies in the board of directors;
 - (2) the power to remove a director;
 - (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (4) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3 Obligations of Committees

Any committee appointed under Articles [198.1](#) or [198.2](#), in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles [198.1](#) or [198.2](#):

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

18.5 Committee Meetings

Subject to Article [198.3\(a\)](#) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles [198.1](#) or [198.2](#):

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

19. OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at anytime, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

20. INDEMNIFICATION

20.1 Definitions

In this Article 2+0:

- (a) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director ~~or alternate director~~ of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (1) is or may be joined as a party; or
 - (2) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) "expenses" has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Eligible Parties

Subject to the *Business Corporations Act*, the Company must indemnify a director or former director ~~or alternate director~~ of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director ~~and alternate director~~ is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 2+0.2.

20.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with Business Corporations Act

The failure of a director, ~~alternate director~~ or officer of the Company to comply with the *Business Corporations Act* or, these Articles or, if applicable, any former *Companies Act* or former Articles does not invalidate any indemnity to which he or she is entitled under this Part.

20.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, ~~alternate director~~, officer, employee or agent of the Company;
- (b) is or was a director, ~~alternate director~~, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, ~~alternate director~~, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director, ~~alternate director~~ or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, ~~alternate director~~, officer, employee or agent or person who holds or held such equivalent position.

21. DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Article ~~22~~1 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article ~~22~~1.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

221.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

221.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article **221.5**, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to

the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the registered address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.1.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

22. DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23. NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (1) for a record mailed to a shareholder, the shareholder's registered address;
 - (2) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (3) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (1) for a record delivered to a shareholder, the shareholder's registered address;

- (2) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
- (3) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient; and
- (f) delivery in such other manner as may be approved by the directors and reasonably evidenced.

23.2 Deemed Receipt of Mailing

A notice, statement, report or other record that is:

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 243.1 is deemed to be received by the person to whom it was mailed on the day, (Saturdays, Sundays and holidays excepted), following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in Article 243.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) e-mailed to a person to the e-mail address provided by that person referred to in Article 243.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 234.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (1) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

- (2) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(2) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

243.6 Undelivered Notices

If any record sent to a shareholder pursuant to Article 243.1 is returned on two consecutive occasions because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

24. SEAL

24.1 Who May Attest Seal

Except as provided in Articles 254.2 and 254.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 254.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

~~26~~25. MECHANICAL REPRODUCTIONS OF SIGNATURES

25.1 Instruments may be Mechanically Signed

The signature of any officer, director, registrar, branch registrar, transfer agent or branch transfer agent of the Company, unless otherwise required by the *Business Corporations Act* or by these Articles, may, if authorized by the directors, be printed, lithographed, engraved or otherwise mechanically reproduced upon all instruments executed or issued by the Company or any officer thereof; and any instrument on which the signature of any such person is so reproduced shall be deemed to have been manually signed by such person whose signature is so reproduced and shall be as valid to all intents and purposes as if such instrument had been signed manually, and notwithstanding that the person whose signature is so reproduced may have ceased to hold the office that he is stated on such instrument to hold at the date or issue of such instrument.

25.2 Definitions of Instruments

The term "instrument" as used in Article ~~26~~5.1 shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, agreements, releases, receipts and discharges for the payment of money or other obligations, shares and share warrants of the Company, bonds, debentures and other debt obligations of the Company, and all paper writings.

26. PROHIBITIONS

26.1 Definition

In this Article ~~27~~6:

- (a) "designated security" means:
 - (1) a voting security of the Company;
 - (2) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (3) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (b) "security" has the meaning assigned in the *Securities Act* (British Columbia);
- (c) "voting security" means a security of the Company that:
 - (1) is not a debt security, and
 - (2) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article ~~2726~~.3 does not apply to the Company if and for so long as it is a:

- (a) public company; or
- (b) a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

The foregoing constitute the Articles of the Company	Date of signing
<u>"Paul Matysek"</u> Authorized Signatory	January 27, 2012

The text for the Amendment shall be as follows:

27. ADVANCE NOTICE PROVISIONS

27.1 Nomination of Directors

(1) Nominations of persons for election to the Board may be made at any Annual Meeting of shareholders or at any Special Meeting of shareholders if one of the purposes for which the Special Meeting was called was the election of directors. In order to be eligible for election to the Board at any Annual Meeting or Special Meeting of shareholders, persons must be nominated in accordance with one of the following procedures:

(a) by or at the direction of the Board or an authorized officer, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act, or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or

(c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 27.1 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 27.1.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give notice which is both timely (in accordance with article 27.1(3) below) and in proper written form (in accordance with Article

27.1(4) below) to the Secretary of the Company at the principal executive offices of the Company.

(3) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be timely if:

(a) in the case of an Annual Meeting of shareholders, such notice is made not less than 30 nor more than 65 days prior to the date of the Annual Meeting of Shareholders; provided, however, that in the event that the Annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the Annual Meeting is made, notice by the Nominating Shareholder is made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a Special Meeting (which is not also an Annual Meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the Special Meeting of Shareholders was made.

(c) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this Article 27.1(3). For greater certainty, the time periods for the giving of notice by a Nominating Shareholder as aforesaid shall, in all cases, be determined based on the original date of the applicable Annual Meeting or Special Meeting, and in no event shall any adjournment or postponement of an Annual Meeting or Special Meeting or the announcement thereof commence a new time period for the giving of such notice.

(4) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be in proper form if:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, such notice sets forth:

(A) the name, age, business address and residential address of the person;

(B) the principal occupation or employment of the person;

(C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and

(D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, such notice sets forth any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below).

(5) The Company may require any proposed nominee for election as a Director to furnish such additional information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(6) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 27.1; provided, however, that nothing in this Article 27.1 shall be deemed to restrict or preclude discussion by a shareholder (as distinct from the nomination of directors) at an Annual Meeting or Special Meeting of any matter that is properly brought before such meeting pursuant to the provisions of the Business Corporations Act or at the discretion of the Chairman of the meeting. The Chairman of the meeting shall have the power and duty to determine whether any nomination for election of a director was made in accordance with the procedures set forth in this Article 27.1 and, if any proposed nomination is not in compliance with such procedures, to declare such nomination defective and that it be disregarded.

(7) For purposes of this Article 27:

(a) "Annual Meeting" means any annual meeting of Shareholders;

(b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such laws and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar securities regulatory authority of each province and territory of Canada;

(c) "Board" means the board of directors of the Company as constituted from time to time; (d) "Common Shares" means common shares in the capital of the Company;

(e) "Nominating Shareholder" has the meaning ascribed to that term in Article 27.1(1)(c); (f) "Notice Date" has the meaning ascribed to that term in Article 27.1(3)(a);

(g) "Public Announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com;

(h) "Shareholder" means a holder of Common Shares; and

(i) "Special Meeting" means any special meeting of Shareholders if one of the purposes for which such meeting is called is the election of directors.

(8) Notwithstanding any other provision of this Article 27.1, notice given to the Secretary of the Company pursuant to this Article 27.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this Article 27.1), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

27.2 Application

(1) Article 27.1 does not apply to the Company in the following circumstances:

(a) if and for so long as the Company is not a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply; or

(b) to the election or appointment of a director or directors in the circumstances set forth in Article 14.7.

APPENDIX 3
OMNIBUS EQUITY INCENTIVE PLAN

June 18, 2021

See attached document.

NANO ONE MATERIALS CORP.
OMNIBUS EQUITY INCENTIVE PLAN
June 18, 2021

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NANO ONE MATERIALS CORP.

Omnibus Equity Incentive Plan

**ARTICLE 1
PURPOSE**

1.1 Purpose

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

1.2 Amendment to Predecessor Plan

This Plan constitutes an amendment to and restatement of the Corporation's Stock Option Plan dated April 19, 2017 (the "**Predecessor Plan**"). All outstanding Options granted under the Predecessor Plan (the "**Predecessor Options**") shall continue to be outstanding as Options granted under and subject to the terms of this Plan, provided however that if the terms of this Plan adversely alter the terms or conditions, or impair any right of, an Option Holder pursuant to any Predecessor Option, and such Option Holder has not otherwise consented thereto, the applicable terms of the Predecessor Plan shall continue to apply for the benefit of such Option Holder.

**ARTICLE 2
INTERPRETATION**

2.1 Definitions

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

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time;

"**Award**" means any Option, Deferred Share Unit, Restricted Share Unit, Performance Share Unit or Other Share-Based Award granted under this Plan, which may be denominated or settled in Shares, cash or in such other forms as provided for herein;

"**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, and evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

"**BCA**" means the *Business Corporations Act* (British Columbia);

"**Board**" means the board of directors of the Corporation as it may be constituted from time to time;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday in the Province British Columbia, and also excluding any day on which the principal chartered banks located in the City of Vancouver are not open for business during normal banking hours;

“**Canadian Taxpayer**” means a Participant that is resident in Canada for purposes of the Tax Act;

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

“**Cause**” means, with respect to a particular Employee:

- (a) with respect to a particular Employee: (1) “cause” as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee; (2) in the event there is no written or other applicable employment agreement between the Corporation or a subsidiary of the Corporation or “cause” is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or (3) in the event neither clause (1) nor (2) apply, then “cause” as such term is defined by applicable law or, if not so defined, then (A) with respect to an Award of an Employee that is not employed in the United States, such term shall refer to circumstances where an employer can terminate an individual’s employment without notice or pay in lieu thereof; and (B) with respect to an Award of an Employee that is employed in the United States (i) any breach of any written agreement between the Corporation and Employee; (ii) any failure to perform assigned job responsibilities in a competent and diligent manner that continues unremedied for a period of thirty (30) days after written notice to Employee by the Corporation and Employee shall only be entitled by such notice once per calendar year; (iii) the commission of a felony or misdemeanor or failure to contest prosecution for a felony or misdemeanor; (iv) the Corporation’s reasonable belief that Employee engaged in a violation of any statute, rule or regulation, any of which in the judgment of Employer is harmful to the Corporation’s business or reputation; or (v) the Corporation’s reasonable belief that Employee engaged in unethical practices, dishonesty or disloyalty;
- (b) in the case of a Consultant: (1) the occurrence of any event which, under the written consulting contract with the Consultant or the common law or the laws of the jurisdiction in which the Consultant provides services, gives the Corporation or any of its Affiliates the right to immediately terminate the consulting contract; or (2) the termination of the consulting contract as a result of an order made by any Regulatory Authority having jurisdiction to so order;
- (c) in the case of a Director, ceasing to be a Director as a result of: (1) ceasing to be qualified to act as a Director pursuant to the section 124 of the BCA; (2) a resolution having been passed by the shareholders pursuant to section 128(3)(a) of the BCA, or (3) an order made by any Regulatory Authority having jurisdiction to so order; or
- (d) in the case of an Officer: (1) cause as such term is defined in the written employment agreement with the Officer or if there is no written employment agreement or cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Officer provides services; or (2) ceasing to be an Officer as a result of an order made by any Regulatory Authority having jurisdiction to so order.

“**Change in Control**” means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Corporation or a wholly-owned subsidiary of the Corporation) hereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Securities Act* (British Columbia)) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

- (b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a wholly-owned subsidiary of the Corporation;
- (c) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one or more Persons which were wholly-owned subsidiaries of the Corporation prior to such event;
- (d) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned subsidiary of the Corporation);
- (e) any other event which the Board determines to constitute a change in control of the Corporation;
or
- (f) individuals who comprise the Board as of the last annual meeting of shareholders of the Corporation (the "**Incumbent Board**") for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation's shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board;

provided that, notwithstanding clauses (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred pursuant to clauses (a), (b), (c) or (d) above if immediately following the transaction set forth in clause (a), (b), (c) or (d) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (b) above) (the "**Surviving Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees ("**voting power**") of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the "**Parent Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a "**Non-Qualifying Transaction**" and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "Corporation" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, a spin-out transaction will not be a Change of Control unless otherwise determined by the Board pursuant to clause 2.1(e)(e) above.

Notwithstanding the foregoing, for purposes of any Award that constitutes "deferred compensation" (within the meaning of Section 409A of the Code), the payment of which would be required upon, or accelerated upon, a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as "a change in control event" within the meaning of Section 409A of the Code;

"**Code**" means the United States Internal Revenue Code of 1986, as amended from time to time;

“**Commencement Date**” has the meaning set forth in Section 10.1(e);

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

“**Consultant**” means an individual consultant or an employee or director of a consultant entity, other than a Participant that is an Employee, who:

- (a) is engaged to provide services on a *bona fide* basis to the Corporation or a subsidiary of the Corporation, other than services provided in relation to a distribution of securities of the Corporation or a subsidiary of the Corporation or services provided that directly or indirectly promote or maintain a market for the issuer’s securities;
- (b) provides the services under a written contract with the Corporation or a subsidiary of the Corporation; and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a subsidiary of the Corporation;

“**Control**” means:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and

the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

“**Corporation**” means Nano One Materials Corp.;

“**Date of Grant**” means, for any Award, the current or future date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

“**Deferred Share Unit**” or “**DSU**” means any right granted under Article 5 of this Plan;

“**Director**” means a director of the Corporation who is not an Employee;

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

“**Disabled**” or “**Disability**” means, in respect of a Participant, suffering from a state of mental or physical disability, illness or disease that prevents the Participant from carrying out his or her normal duties as an Employee for a continuous period of six months or for any period of six months in any consecutive twelve-month period, as certified by two medical doctors or as otherwise determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

“Disinterested Shareholder Approval” means approval by a majority of the votes cast by the Corporation’s shareholders at a duly constituted shareholders meeting, excluding votes attached to the Common Shares beneficially owned by Insiders to whom Options may be granted under the Plan and their associates and affiliates;

“Effective Date” means the effective date of this Plan, being June 18, 2021;

“Elected Amount” has the meaning set forth in Subsection 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 Subsection 5.1(b);

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

“Employee” means an individual who:

- (a) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
- (b) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary, and, for greater certainty, includes any Executive Chairman of the Corporation.

“Exchange” means the TSXV, the TSX or any successor stock exchange. and any other exchange on which the Shares are or may be listed from time to time;

“Exercise Notice” means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;

“Exercise Price” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

“Expiry Date” means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

“Insider” has the meaning given to such term in the *Securities Act* (British Columbia);

“Investor Relations Activities” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (A) to promote the sale of products or services of the Corporation; or
 - (B) to raise public awareness of the Corporation;

- that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable securities laws; and
 - (ii) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or Exchange having jurisdiction over the Corporation;
 - (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication; and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (d) activities or communications that may be otherwise specified by an Exchange.

“**ISO**” has the meaning set forth in Section 12.1;

“**Market Price**” with respect to one Share as of any date shall mean (a) if the Shares are listed on the Exchange, the price of one Share at the close of the regular trading session of such market or exchange on the last trading day prior to such date, and if no sale of Shares shall have occurred on such date, on the next preceding date on which there was a sale of Shares; (b) if the Shares are not so listed on an established stock exchange, the average of the closing “bid” and “asked” prices quoted by the OTC Markets, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted “bid” and “asked” prices on such date, on the next preceding date for which there are such quotes for a Share; or (c) if the Shares are not publicly traded as of such date, the per share value of one Share, as determined by the Board, or any duly authorized Committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto, and with respect to Options awarded to U.S Taxpayers, such valuation principles will be in accordance with U.S. Treasury Regulation Section 1.409A-1(b)(5)(iv)(B)(1).

“**Officer**” has the meaning ascribed thereto in the *Securities Act* (British Columbia);

“**Option**” means an option to purchase Shares granted to a Participant;

“**Option Holder**” means a Participant who holds Options;

“**Option Shares**” means Shares issuable by the Corporation upon the exercise of outstanding Options;

“**Other Share-Based Award**” means any right granted under Article 8;

“**Participant**” means an Employee, Consultant or Director to whom an Award has been granted under this Plan;

“**Participant’s Employer**” means with respect to a Participant that is or was an Employee, the Corporation or such subsidiary of the Corporation as is or, if the Participant has ceased to be employed by the Corporation or such subsidiary of the Corporation, was the Participant’s Employer;

“**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 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 in its discretion;

“Performance Share Unit” or **“PSU”** means any right granted under Article 7 of this Plan;

“Person” means 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;

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

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

“Predecessor Options” has the meaning set forth in Subsection 1.2;

“Predecessor Plan” has the meaning set forth in Subsection 1.2;

“Restricted Share Unit” or **“RSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

“Retirement” means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career as an Employee, Consultant or Director after attaining a stipulated age in accordance with the Corporation’s normal retirement policy or earlier with consent of the Plan Administrator, if applicable;

“Section 409A of the Code” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;

“Securities Laws” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

“Security Based Compensation Arrangement” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, officers, Employees and/or Consultants of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;

“Separation from Service” has the meaning ascribed to it under Section 409A of the Code.

“Share” means one common share in the capital of the Corporation as constituted on the Effective Date, or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“subsidiary” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary,

provided that, in the case of a Canadian Taxpayer, the issuer is related (for purposes of the Tax Act) to the Corporation;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Termination Date**” means:

- (a) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation in a written employment agreement, or other written agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no written employment agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which an Employee ceases to be an Employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment 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 the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant;
- (b) in the case of a Consultant whose consulting agreement or arrangement with the Corporation or a subsidiary of the Corporation, as the case may be, terminates, the date that is designated by the Corporation or the subsidiary of the Corporation (as the case may be), as the date on which the Participant’s consulting agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given, and “Termination Date” specifically does not mean the date on which any period of notice of termination that the Corporation or the subsidiary of the Corporation (as the case may be) may be required to provide to the Participant under the terms of the consulting agreement or arrangement expires; or
- (c) notwithstanding the foregoing, in the case of a U.S. Taxpayer, a Participant’s “Termination Date” will be the date the Participant experiences a Separation from Service with the Corporation or a subsidiary of the Corporation.

“**TSX**” means the Toronto Stock Exchange;

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

“**U.S.**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

“**U.S. Awardee**” means a Participant who is granted an Award pursuant to this Plan who is a “U.S. person” (within the meaning of Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States;

“**U.S. Securities Act**” means the U.S. Securities Act of 1933, as amended and the rules and regulations promulgated thereunder; and

“**U.S. Taxpayer**” shall mean a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. tax laws.

2.2 Interpretation

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

ARTICLE 3 ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, but subject to the terms and conditions set out in the Plan, including any required Exchange approval, to:

- (a) determine the individuals to whom grants of Awards under the Plan may be made;
- (b) make grants of Awards under the Plan, whether relating to the issuance of Shares or otherwise (including any combination of Options, Deferred Share Units, Restricted Share Units, Performance Share Units or Other Share-Based Awards), in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the Corporation, including vesting and any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) 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

- (vi) 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 Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

Notwithstanding the foregoing, the grant of any Other Share-Based Awards that are not Options, Deferred Share Units, Restricted Share Units or Performance Share Units will be subject to Exchange and shareholder approval (as applicable).

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 Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, 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.

3.3 Determinations Binding

Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, 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 or interpretation of this Plan is final, conclusive and binding on the Corporation and all subsidiaries of the Corporation, the affected Participant(s), their respective legal and personal representatives and all other Persons.

3.4 Eligibility

All Employees, Consultants and Directors are eligible to participate in the Plan, subject to Section 10.1(f). Only Directors are eligible to receive DSUs. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Employee, Consultant or Director any right to receive any grant of an Award pursuant to the Plan. The extent to which any Employee, Consultant or Director is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this 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 Securities 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, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. 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 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Article 11 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan (including the Predecessor Options) shall not exceed 10% of the Corporation's total issued and outstanding Shares from time to time. This Plan is considered an "evergreen" plan, since the shares covered by Awards which have been exercised or terminated shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.
- (b) To the extent any Awards (or portion(s) thereof) under this Plan are exercised, terminate or are cancelled for any reason prior to exercise in full, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

3.7 Limits on Grants of Awards Notwithstanding anything in this Plan:

- (a) If the Corporation is subject to the policies of the TSXV, the number of grants which may be issuable under the Corporation's Security Based Compensation Arrangements in existence from time to time on and after the effective date of the Plan, within any one-year period:
 - (i) to Insiders (as a group) shall be no more than 10% of the issued and outstanding share capital of the Corporation;
 - (ii) to any one Person, shall be no more than 5% of the issued and outstanding share capital of the Corporation, with the exception of a Consultant who may not receive grants of more than 2% of the issued and outstanding share capital of the Corporation; and
 - (iii) to all Persons employed to conduct Investor Relations Activities, shall be no more than an aggregate of 2% of the number of issued and outstanding Common Shares in the capital of the Corporation at any one time.
- (b) If the Corporation is subject to the policies of the TSX, then the aggregate number of Shares:
 - (i) issuable to Insiders at any time under all of the Corporation's Security Based Compensation Arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Shares; and

- (ii) issued to Insiders within any one-year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Shares,

provided that the acquisition of Shares by the Corporation for cancellation shall not constitute non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation; and

- (c) If the Shares are listed on the TSX, then (i) the Plan Administrator shall not make grants of Awards to Directors if, after giving effect to such grants of Awards, the aggregate number of Shares issuable to Directors, at the time of such grant, under all of the Corporation's Security Based Compensation Arrangements would exceed 1% of the issued and outstanding Shares on a non-diluted basis, and (ii) within any one financial year of the Corporation, (A) the aggregate fair value on the Date of Grant of all Options granted to any one Director shall not exceed \$100,000, and (B) the aggregate fair market value on the Date of Grant of all Awards (including, for greater certainty, the fair market value of the Options) granted to any one Director under all of the Corporation's Security Based Compensation Arrangements shall not exceed \$150,000; provided that such limits shall not apply to (i) Awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a Director upon such Director joining the Board.

3.8 Award Agreements

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

3.9 Non-transferability of Awards

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

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Once an instalment becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option or instalment may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any instalment of any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement (including withholding obligations, if applicable), Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by wire transfer, certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include such other consideration and method of payment for the issuance of Shares to the extent permitted by the Securities Laws, or any combination of the foregoing methods of payment.
- (b) No Shares will be issued or transferred until full payment therefor has been received by the Corporation (subject to withholding obligations, if applicable).

ARTICLE 5 DEFERRED SHARE UNITS

5.1 Granting of DSUs

- (a) The Plan Administrator 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 may be 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 Article 5. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 5 shall receive their Elected Amount (as that term is defined below) in the form of DSUs in lieu of cash. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that are otherwise intended to be paid in cash (the “**Cash Fees**”).
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs in lieu of cash will be required to file a notice of election in the form of Schedule A hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year in which the services giving rise to the compensation are performed (other than for Director Fees payable for the 2021 financial year to any Electing Person who is not a U.S. Taxpayer as of the date of this Plan, in which case such

Electing Person shall file the Election Notice by the date that is 30 days from the effective date of the Plan with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of an existing Electing Person who is a U.S. Taxpayer as of the Effective Date of this Plan and who was not eligible to participate in the Predecessor Plan or in any other deferred compensation plan required to be aggregated with this Plan for purposes of Code Section 409A, an initial Election Notice may be filed by the date that is 30 days from the Effective Date only with respect to compensation paid for services to be performed after the Election Date; and in the case of a newly appointed Electing Person who is a U.S. Taxpayer, an Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the Election Date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.

- (c) Subject to Subsection 5.1(d), the election of an Electing Person under Subsection 5.1(b) shall be deemed to apply to all Cash Fees that would be paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs in lieu of Cash Fees by filing with the Chief Financial Officer of the Corporation a notice in the form of Schedule B hereto. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “blackout” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 5.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 5, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs in lieu of cash again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs in lieu of cash for any calendar year is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule C is delivered.
- (e) Any DSUs granted pursuant to this Article 5 prior to the delivery of a termination notice pursuant to Section 5.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any compensation that is to be paid in DSUs (including Director Fees and any Elected Amount), as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Date of Grant.
- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Director.

5.2 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.

5.3 Vesting of DSUs

Except as otherwise determined by the Plan Administrator, DSUs shall vest immediately upon grant.

5.4 Settlement of DSUs

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that in no event shall a DSU Award be settled prior to a Participant's Termination Date, or later than one (1) year following, the date of the applicable Participant's Termination Date. If the Award Agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the Participant's Termination Date, subject to the delay that may be required under Section 12.8(d) below in the case of a U.S. Participant. Subject to Section 12.8(d) below in the case of a U.S. Participant, and except as otherwise provided in an Award Agreement, on the settlement date for any DSU, each vested DSU shall be redeemed for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) If a U.S. Taxpayer is also subject to Canadian income tax with respect to his or her DSUs, then at such time as such U.S. Taxpayer ceases services with the Board, such cessation of services will be undertaken in a manner that constitutes both a Separation from Service and a loss of office or employment as contemplated by paragraph 6801(d) of the Regulations under the Income Tax Act (Canada).
- (c) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (d) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within (subject to withholding obligations, if applicable).

ARTICLE 6 RESTRICTED SHARE UNITS

6.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of services rendered in the year of grant. The terms and conditions of each RSU grant shall be evidenced by an Award Agreement.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 6 will be calculated by dividing (i) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the Market Price of a Share on the Date of Grant.

6.2 RSU Account

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

6.3 Vesting of RSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs.

6.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms, including time of settlement, applicable to the grant of RSUs and such terms will be set forth in the applicable Award Agreement. Subject to Section 12.8(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, each vested RSU will be redeemed for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above, in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 6.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within (subject to withholding obligations, if applicable).
- (d) Subject to Section 12.8(d) below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 6.4 any later than the final Business Day of the third calendar year following the year in which the RSU is granted.

ARTICLE 7 PERFORMANCE SHARE UNITS

7.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of services rendered in the year of grant. The terms and conditions of each PSU grant, including time of settlement, shall be evidenced by an Award Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 7.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

7.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a Participant's employment and the amount of any payment or

transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

7.3 Performance Goals

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

7.4 PSU Account

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

7.5 Vesting of PSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs.

7.6 Settlement of PSUs

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs which shall be set forth in the applicable Award Agreement. Subject to Section 12.8(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, each vested PSU will be redeemed for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct, or
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion and subject to withholding obligations, if applicable.
- (b) Any cash payments made under this Section 7.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Subject to Section 12.8(d) below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 7.6 any later than the final Business Day of the third calendar year following the year in which the PSU is granted.

ARTICLE 8 OTHER SHARE-BASED AWARDS

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Other Share-Based Awards to any Participant. The terms and conditions of each Other Share-Based Award grant shall be evidenced by an Award Agreement. Each Other Share-Based Award shall consist of a right (1) which is other than an Award or right described in Article 4, Article 5, Article 6, and Article 7 above, and (2) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Plan; provided, however, that such right will comply with applicable law. Subject to the terms of the Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards. Shares or other securities delivered pursuant to a purchase right granted under this Article 8 will be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, other property, or any combination thereof, as the Plan Administrator shall determine in its discretion.

ARTICLE 9 ADDITIONAL AWARD TERMS

9.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, as part of a Participant's grant of DSUs, PSUs or RSUs (as applicable) and in respect of the services provided by the Participant for such original grant, DSUs, PSUs and RSUs (as applicable) shall be credited with dividend equivalents in the form of additional DSUs, PSUs or RSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be in the amount a Participant would have received if the DSUs, PSUs or RSUs had been settled for Shares on the record date of such dividend. Dividend equivalents credited to a Participant's account shall be subject to the same terms and conditions, including vesting and time of settlement, as the DSUs, PSUs or RSUs, as applicable, to which they relate.
- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

9.2 Blackout Period

In the event that the proposed Date of Grant occurs, or an Award expires, at a time when an undisclosed material change or material fact in the affairs of the Corporation exists, the effective Date of Grant for such Award, or expiry of such Award, as the case may be, will be no later than 10 business days after which there is no longer such undisclosed material change or material fact, and the Market Price with respect to the grant of such Award shall be calculated based on the closing price of the Shares on the last trading day immediately preceding the effective Date of Grant. Notwithstanding the foregoing, in no event will the expiry date extend beyond ten years from the Date of Grant, and with respect to ISOs awarded to 10% owners (as described in Section 12.3 hereof) in no event will the expiry date extend beyond five years from the Date of Grant. With respect to a U.S. Awardee, the application of the blackout period shall be made in the Company's sole discretion in accordance with the Code and Section 409A thereof.

9.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this 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 an Affiliate of the Corporation is obliged to withhold or 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 an Affiliate 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 any Affiliate 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. Each U.S. Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Taxpayer in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A of the Code), and neither the Corporation nor any affiliate of the Corporation shall have any obligation to indemnify or otherwise hold such U.S. Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

9.4 Recoupment

Notwithstanding any other terms of this 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 the relevant subsidiary of the Corporation and in effect at the Date of Grant of the Award, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, 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 9.4 to any Participant or category of Participants.

ARTICLE 10 TERMINATION OF EMPLOYMENT OR SERVICES

10.1 Termination of Employment, Services or Director

Subject to Section 10.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;
- (b) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination 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 any unvested Options or other Awards held by the Participant as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date. Any vested Options held by the Participant as of the Termination Date may be exercised or surrendered to the Corporation by the

Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date. Any Option that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

- (c) where a Participant becomes Disabled, then any Option held by the Participant that has not vested as of the date of the Disability of such Participant shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the third anniversary of the Participant's date of Disability. Any Option that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;
- (d) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Option held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the third anniversary of the date of the death of such Participant. Any Option that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;
- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to Retirement, then any Option held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the third anniversary of the Participant's date of Retirement. Any Option that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option held by the Participant that has not been exercised as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;
- (f) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
 - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or
 - (ii) the date of the death, Disability or Retirement of the Participant; and
- (g) notwithstanding Subsection 10.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options or other Awards are not affected by a change of employment or consulting 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 a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation.

10.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 10.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator and with respect to Awards to U.S. Taxpayers, in a manner that does not result in adverse tax consequences under Section 409A of the Code.

10.3 Participants' Entitlement

Except as otherwise provided in this Plan, Awards previously granted under this Plan are not affected by any change in the relationship between, or ownership of, the Corporation and an Affiliate of the Corporation. For greater certainty, all grants of Awards remain outstanding and are not affected by reason only that, at any time, an Affiliate of the Corporation ceases to be an Affiliate of the Corporation.

ARTICLE 11 EVENTS AFFECTING THE CORPORATION

11.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder.

11.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, and except with respect to DSUs:

- (a) The Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent 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 exercisable, realizable, or payable, or 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; (iii) 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 exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant and subject to any withholding taxes, if applicable (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 exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other

- rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Subsection 11.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 11.2(a)) any property in connection with a Change in Control other than rights to acquire shares of a corporation or units of a “mutual fund trust” (as defined in the Tax Act), of the Corporation or a “qualifying person” (as defined in the Tax Act) that does not deal at arm’s length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.
- (b) Notwithstanding Subsection 11.2(a), and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards granted under this Plan (other than Options held by Canadian Taxpayers) at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, or in the case of Options held by a Canadian Taxpayer by permitting the Canadian Taxpayer to surrender such Options to the Corporation for an amount for each such Option equal to the fair market value of such Option as determined by the Plan Administrator, acting reasonably, upon the completion of the Change in Control (following which such Options may be cancelled for no consideration).
- (c) It is intended that any actions taken under this Section 11.2 or under Section 11.3 or 11.4, will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

11.3 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 and 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 will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.4 Other Events Affecting the Corporation

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 and that warrants 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 will, 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.

11.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 11.3 and 11.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 11.3 and 11.4

would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required, to permit the immediate vesting of any unvested Awards.

11.6 Issue by Corporation of Additional Shares

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

11.7 Fractions

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

ARTICLE 12 U.S. TAXPAYERS

12.1 Provisions for U.S. Taxpayers

In the case of a Participant who is a U.S. Taxpayer, Options may only be awarded to such Participant to the extent the Participant performs direct services to (A) the Corporation or any entity (other than the Corporation), in an unbroken chain of corporations (or other entities) beginning with the Corporation, in which each of the corporations (or other entities) other than the last corporation or other entity in the unbroken chain owns, directly or indirectly, equity representing at least 50% of the voting power of all classes of equity entitled to vote or at least 50% of the value of all classes of equity in one of the other corporations (or other entities) in such chain, or (B) to an entity that otherwise qualifies as an eligible issuer of service recipient stock pursuant to United States Treasury Regulation Section 1.409A-1(b)(5)(iii)(E)(1). Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“**ISOs**”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option, and if no designation is made, the Option will be a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO.

12.2 ISOs

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 9,531,065 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may be granted to any employee of the Corporation, or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Sections 424(e) and (f) of the Code. No ISOs may be granted more than ten (10) years after the earlier of (i) the date on which the Board adopts the most recent amendment and restatement of the Plan, or (ii) the date on which the shareholders of the Corporation approve such most recent amendment and restatement of the Plan. An ISO may be exercised during the Participant’s lifetime only by such the Participant. An ISO may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by the Participant, except by will or by the laws of descent and distribution.

12.3 ISO Term and Exercise Price; Grants to 10% Shareholders

Notwithstanding anything to the contrary in this Plan, the term of an ISO shall not exceed ten (10) years, and the exercise price of an ISO shall be not less than one hundred percent (100%) of the Market Price on the applicable grant date; *provided, however*, that if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the ISO shall not exceed five years from the time of grant of such ISO and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the ISO.

12.4 \$100,000 Per Year Limitation for ISOs

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation) exceeds \$100,000, such excess ISOs shall be treated as non-qualified stock options.

12.5 Disqualifying Dispositions

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

12.6 ISO Status Following Termination of Employment

An ISO shall be exercisable in accordance with its terms under the Plan and the applicable Award Agreement or certificate awarding the ISO. However, in order to retain its treatment as an ISO for U.S. federal income tax purposes, the ISO must be exercised within the time periods set forth below. If an ISO is not exercised within the time periods below, but the Option otherwise would remain exercisable following such time periods pursuant to the terms of the Award Agreement, then, following the expiration of the time periods below without exercise the ISO will be converted to a non-qualified stock option.

- (a) If a Participant who has been granted an ISO ceases to be an employee for any reason other than the death or disability (within the meaning of Code Section 22(e)) of such Participant, such ISO must be exercised (to the extent such ISO was exercisable on the date of termination) by such Participant within three months following the date of termination (but in no event beyond the Expiry Date of such ISO).
- (b) If a Participant who has been granted an ISO ceases to be an employee due to the disability of such Participant (within the meaning of Code Section 22(e)), such ISO must be exercised (to the extent it is exercisable by its terms) by the date that is one year following the date of such disability, but in no event beyond the Expiry Date of such ISO.
- (c) For purposes of this Section 12.6, the employment of a Participant who has been granted an ISO will not be considered interrupted or terminated upon (a) sick leave, military leave or any other leave of absence approved by the Corporation that does not exceed ninety (90) days in the aggregate; provided, however, that if reemployment upon the expiration of any such leave is guaranteed by contract or applicable law, such ninety (90) day limitation will not apply, or (b) a

transfer from one office of the Corporation (or of any parent or subsidiary of the Corporation as defined in Code Sections 424(e) and (f)) to another office of the Corporation (or of any such parent or subsidiary) or a transfer between the Corporation and any such parent or subsidiary.

12.7 Shareholder Approval for ISO Purposes

In the event the Plan is not approved by the shareholders of the Corporation in accordance with the requirements of Section 422 of the Code within twelve (12) months of the date of adoption of the Plan (or the date of any later restatement of the Plan that adds or changes ISO provisions requiring shareholder approval), Options otherwise designated as ISOs will be non-qualified stock options.

12.8 Section 409A of the Code

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, it is intended that the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code, if necessary, to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer's vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding anything in the Plan or any Award Agreement to the contrary, to the extent that any amount or benefit that constitutes "deferred compensation" to a Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to a Participant under the Plan or any Award Agreement solely by reason of the occurrence of a change in control or due to the Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Plan Administrator determines in good faith that (i) the circumstances giving rise to such change in control event, disability or separation from service meet the definition of a change in control event, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable proposed or final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise. In order to comply with both Canadian and U.S. tax rules, RSUs and PSUs will be structured so that the designated settlement/payment date (the "Scheduled Payment Date") for such Award will in all cases be no later than the final Business Day of the third calendar year following the year in which the Award is granted, and settlement will in fact occur by such final Business Day. Further, to the extent that any RSU or PSU is deferred compensation under Section 409A of the Code, then as to any Participant: (i) who is a U.S. Taxpayer, (ii) who is a "specified employee" within the meaning of Section 409A of the Code at the time of his separation from service, and (iii) whose RSU or PSU would by its terms be settled/paid pursuant earlier than the Scheduled Payment Date as a result of his or her Separation from Service, then settlement will occur on the earlier of the date that is six months and one day

following the date of Separation from Service and the Scheduled Payment Date as permitted under Section 409A of the Code. With respect to DSUs of a U.S. Taxpayer, where settlement is to occur upon such Participant's Separation from Service, if such Participant is a "specified employee" at the time of his separation from service then settlement will occur on the date that is six months and one day following the date of Separation from Service, or, if earlier, as soon as practical following the date of the Participant's death.

12.9 Section 83(b) Election

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

12.10 U.S. Securities Laws

Neither the Awards nor the securities which may be acquired pursuant to the exercise of the Awards have been registered under the Securities Act or under any securities law of any state of the United States of America and are considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act and any Shares shall be affixed with an applicable restrictive legend as set forth in the Award Agreement. The Awards may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Awards or the securities underlying the Awards, which could result in such U.S. Awardee not being able to dispose of any Shares issued on exercise of Awards for a considerable length of time. Each U.S. Awardee or anyone who becomes a U.S. Awardee, who is granted an Award in the United States, who is a resident of the United States or who is otherwise subject to the Securities Act or the securities laws of any state of the United States will be required to complete an Award Agreement which sets out the applicable United States restrictions.

ARTICLE 13 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

13.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that:

- (a) 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 Securities Laws or Exchange requirements;
- (b) any amendment that would cause an Award held by a U.S. Taxpayer be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained; and
- (c) any amendments to the Plan or to any Awards granted pursuant to the Plan are subject to Exchange approval (including such amendments that do not otherwise trigger approval of the holders of voting shares of the Corporation).

13.2 Shareholder Approval

Notwithstanding Section 13.1 and subject to any rules of the Exchange, approval of the holders of the Shares (including by way of Disinterested Shareholder Approval where required by the Exchange) shall be required for any amendment, modification or change that:

- (a) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsection 3.7(a) or 3.7(c), as applicable;
- (c) if the Corporation is subject to the policies of the TSXV, allows for the grant to Insiders (as a group), within a 12 month period, an aggregate number of Awards exceeding 10% of the Corporation's issued Common Shares, calculated at the date the Award is granted to the Insider;
- (d) if the Corporation is subject to the policies of the TSXV, allows for the grant to any one Participant, within a 12 month period, an aggregate number of Awards exceeding 5% of the Corporation's issued Common Shares, calculated at the date the Award is granted to the Insider;
- (e) reduces the exercise price of an Award (for this purpose, a cancellation or termination of an Award of a Participant prior to its Expiry Date for the purpose of reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (f) extends the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within five business days following the expiry of such a blackout period);
- (g) permits an Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
- (h) increases or removes the limits on the participation of Directors;
- (i) permits Awards to be transferred to a Person;
- (j) changes the eligible participants of the Plan; or
- (k) deletes or reduces the range of amendments which require approval of shareholders under this Section 13.2.

13.3 Permitted Amendments

Without limiting the generality of Section 13.1, but subject to Section 13.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 10;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having

in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors;

- (e) amending or modifying the Plan to the extent the Plan Administrator in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A of the Code or other tax regulation; or
- (f) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 14 MISCELLANEOUS

14.1 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.

14.2 No Other Benefit

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, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

14.3 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 Employee, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

14.4 Corporate Action

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

14.5 Conflict

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

14.6 Anti-Hedging Policy

By accepting the Option or 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 Options or Awards.

14.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan (including as to whether the circumstances described in Section 10.1(e) or 12.3 exist). 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.

14.8 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. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

14.9 International Participants

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

14.10 Successors and Assigns

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

14.11 General Restrictions on Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

14.12 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.

14.13 Notices

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

Nano One Materials Corp.
101B – 8575 Government Street
Burnaby, British Columbia V3N 4V1
Attention: Chief Financial Officer

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

14.14 Effective Date

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Corporation.

14.15 Governing Law

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

14.16 Submission to Jurisdiction

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

14.17 No Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of Shares (which for clarity shall include for the purposes of this Section 14.17 other classes or kinds of securities issued in place of Shares pursuant to this Plan) issued in accordance with the provisions of this Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Awards or the Shares issuable thereunder or the tax consequences to a Participant. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Corporation.

SCHEDULE A

**NANO ONE MATERIALS CORP.
EQUITY INCENTIVE PLAN (THE "PLAN")**

ELECTION NOTICE¹

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 5 of the Plan and to receive ____% of my Cash Fees in the form of DSUs in lieu of cash.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: _____

(Name of Participant)

(Signature of Participant)

¹ Nano to confirm that elections are timely made within the deadlines set forth in Section 5.1(b) of the Plan.

SCHEDULE B

**NANO ONE MATERIALS CORP.
EQUITY INCENTIVE PLAN (THE "PLAN")**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS (FOR PARTICIPANTS WHO ARE NOT U.S. TAXPAYERS)

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

SCHEDULE C

**NANO ONE MATERIALS CORP.
EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS
(U.S. TAXPAYERS)**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.