



**Notice of Annual General and Special Meeting  
of Shareholders**

To be held at 9:00 a.m. (Vancouver time)

on June 29, 2023

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**MANAGEMENT INFORMATION CIRCULAR**

Dated as at May 20, 2023

**Graphite One Inc.**

c/o 25<sup>th</sup> Floor, 700 West Georgia Street  
Vancouver, British Columbia, V7Y 1B3

**GRAPHITE ONE INC.**

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

**NOTICE AND ACCESS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Graphite One Inc. (the “**Company**”) will be held at the offices of Farris LLP, Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 on Wednesday, June 29, 2023 at the hour of 9:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements for the year ended December 31, 2022 and the auditor’s report thereon;
2. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors for the ensuing year and to authorize the directors to fix their remuneration;
3. to fix the number of directors to be elected at six (6);
4. to elect directors for the ensuing year;
5. to consider and if thought appropriate, ratify and re-approve, with or without variation, subject to regulatory approval, the incentive stock option plan of the Company, in the form attached as Appendix “A” to the management information circular (the “**Information Circular**”);
6. to consider and if thought appropriate, ratify and re-approve, with or without variation, subject to regulatory approval, the omnibus incentive plan of the Company, in the form attached as Appendix “C” to the Information Circular; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Meeting are: (1) the Information Circular of the Company dated May 20, 2023; (2) a form of proxy if you are a Registered Shareholder (as defined in the Information Circular under the heading “Appointment and Revocation of Proxies”), or a voting instruction form if you are a Beneficial Shareholder (as defined in the Information Circular under the heading “Advice to Beneficial Holders of Common Shares”); and (3) a reply card for use by shareholders who wish to receive the Company’s interim and/or annual financial statements and accompanying management’s discussion and analysis.

Shareholders are referred to the Information Circular for more detailed information with respect to the matters to be considered at the Meeting.



**All monetary amounts in the Information Circular are stated in United States dollars unless otherwise indicated.**



Registered shareholders and duly appointed proxyholders can attend the Meeting in person where they can participate, vote or submit questions.

The directors have fixed the record date for the Meeting as the close of business on May 15, 2023. Only holders of Common Shares of record as at that date are entitled to receive notice of the Meeting and to vote thereat or at any adjournment or postponement thereof, except to the extent that a person has transferred any Common Shares after that date and the new holder of such Common Shares establishes proper ownership and requests, not later than ten days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting.

Dated at the City of Vancouver, in the Province of British Columbia, this 20<sup>th</sup> day of May 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Anthony Huston"

Anthony Huston  
President and Chief Executive Officer

**If you are a registered shareholder of the Company and are unable to attend the Meeting in person, please date and sign the enclosed form of proxy and return it in the envelope provided. All completed proxies, to be valid, must be deposited at the office of the Company's registrar and transfer agent, Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Facsimile: 1-866-249-7775 (within Canada & the United States) or 416-263-9524 (International), not later than 9:00 AM PT on June 27, 2023, being forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment or postponement thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently. If you are not a registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or intermediary.**

## GRAPHITE ONE INC.

### MANAGEMENT INFORMATION CIRCULAR

for the Annual General and Special Meeting of Shareholders  
to be held on June 29, 2023

### GENERAL PROXY MATTERS

#### Solicitation of Proxies

This Management Information Circular (“**Information Circular**”) is dated May 20, 2023 and is furnished in connection with the solicitation by management of Graphite One Inc. (the “**Company**”) of proxies from holders (“**Shareholders**”) of common shares of the Company (“**Common Shares**”) for use at the annual general and special meeting of the Shareholders (the “**Meeting**”) to be held on Wednesday, June 29, 2023 at 9:00 a.m. (Vancouver time) at the offices of Farris LLP, Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 and at any adjournment or postponement thereof for the purposes set out in the accompanying notice of the Meeting (the “**Notice of Meeting**”).

The Company will use the Notice-and-Access Provisions (as defined below) to conduct the solicitation of proxies in connection with the Meeting. Proxies may also be solicited by telephone, facsimile, email or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. The costs of soliciting proxies will be borne by the Company and brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Common Shares, except as otherwise provided herein.

#### Notice-and-Access

The Company has elected to deliver the materials in respect of the Meeting pursuant to the notice-and-access provisions (“**Notice-and-Access Provisions**”) concerning the delivery of proxy-related materials to shareholders found in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), in the case of registered shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), in the case of beneficial shareholders. The Notice-and-Access Provisions are a set of rules that reduce the volume of proxy-related materials that must be physically mailed to shareholders by allowing issuers to deliver meeting materials to shareholders electronically by providing shareholders with access to these materials online.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Company. In order for the Company to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Information Circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice to Shareholders, including Beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Company.

In accordance with the Notice-and-Access Provisions, a notice and a form of proxy or voting instruction form has been sent to all Shareholders informing them that this Information Circular is available online and explaining how this Information Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. This Information Circular has been posted in full on the Company’s website at <https://www.graphiteoneinc.com/annual-general-meeting> and under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Company will send proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent, Computershare Investor Services Inc. The Company does not intend to pay for the Intermediary to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101 unless the Intermediary assumes the cost of delivery.

Any Shareholder who wishes to receive a printed paper copy of the Information Circular may request a copy from the Company at c/o Farris LLP, 25<sup>th</sup> Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 or by email to the attention of Gordon Jang at [gjang@graphiteoneinc.com](mailto:gjang@graphiteoneinc.com). In order to ensure that a paper copy of the

Information Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Information Circular and return a form of proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than June 15, 2023.

### **Appointment and Revocation of Proxies**

The persons named in the accompanying form of Proxy are directors and/or officers of the Company. Shareholders desiring to appoint some other person (who is not required to be a shareholder of the Company) to represent him or her at the Meeting may do so either by inserting such person's name in the blank space provided in the Proxy and deleting the names printed thereon or by completing another proper Proxy. Such Shareholder should notify the nominee of his appointment, obtain his consent to act as proxy and instruct him on how the Shareholder's shares are to be voted.

A Proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is signed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, it must be executed under corporate seal or by a duly authorized officer or attorney of such corporation and delivered to the Company c/o Computershare Trust Company of Canada, the Transfer Agent and Registrar of the Company, (i) by mail using the enclosed return envelope or one addressed to Computershare, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by facsimile to 1-866-249-7775; or (iii) by telephone at 1-866-732-8683, by no later than 9:00 a.m. (Vancouver time) on June 27, 2023, or two business days preceding the date of any adjournment or postponement of the Meeting. As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at [www.investorvote.com](http://www.investorvote.com). Votes cast electronically are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper form of proxy. Shareholders who wish to vote using internet or by telephone should follow the instructions provided in the form of proxy.

A Shareholder who has given a proxy may revoke it, in any manner permitted by law, including by instrument in writing, executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney of such corporation and deposited with the Company c/o Computershare Trust Company of Canada, at the address specified above at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

### **Registered Shareholders**

Regardless of whether or not a shareholder plans to attend the Meeting in person, the Company strongly encourages that all Registered shareholders (a shareholder whose name appears on the records of the Company as the registered holder of Common Shares) vote by proxy.

### **Advice to Beneficial Holders of Common Shares**

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold shares in their own name. Shareholders who do not hold shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. 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 the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS Clearing and Depository Services Inc. (which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial

Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) on how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form which is mailed to Beneficial Shareholders with a request that the Beneficial Shareholders return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (i.e., by way of the internet or telephone). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. The Company does not intend to pay for the costs of an intermediary to deliver the proxy-related materials to objecting Beneficial Shareholders. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting - the voting instruction form must be returned to Broadridge or voting instructions communicated to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and vote their Common Shares as proxyholder for the registered Shareholder should contact their broker or other intermediary, well in advance of the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) certain of its directors and its executive officers are residents of Canada and certain of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **Voting of Proxies**

All shares represented at the Meeting by a properly executed Proxy will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented by the Proxy will be voted or withheld from voting in accordance with such specification. **In the absence of any such specification or instruction, the persons whose names appear on the Form of Proxy, if named as proxies, will vote in favour of all of the matters set out in the Notice of Meeting.**

The enclosed form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, management of the Company is not aware of any amendments to, variations of or other matters to be presented for action at the Meeting. If, however, amendments, variations or other matters properly come before the Meeting, the persons designated in the form of Proxy will vote thereon in accordance with their judgment pursuant to the discretionary authority conferred by such Proxy with respect to such matters.

## **QUORUM FOR THE MEETING**

At the Meeting, a quorum shall be two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a Shareholder so entitled, who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting. If a quorum is present at the opening of the Meeting, the Shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present or represented may adjourn or postpone the Meeting to a fixed time and place but may not transact any other business.

## **APPROVAL REQUIREMENTS**

All of the matters to be considered at the Meeting require a simple majority of affirmative votes cast at the Meeting to pass the resolutions described herein.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The record date for the purpose of determining holders of Common Shares is May 15, 2023. Only the Shareholders of record on that date are entitled to receive notice of and attend the Meeting and vote thereat on the basis of one vote for each Common Share held, except to the extent that a registered Shareholder has transferred the ownership of any Common Shares, subsequent to May 15, 2023 and the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the shareholder list before the Meeting, in which case, the transferee shall be entitled to vote his or her Common Shares at the Meeting. The transfer books will not be closed.

The Company has an authorized capital consisting of an unlimited number of Common Shares. As at May 15, 2023, there are 126,105,439 Common Shares issued and outstanding as fully paid and non-assessable.

As at the date hereof, to the knowledge of the directors and senior officers of the Company, there are currently no persons, firms or corporations owning of record or beneficially, directly or indirectly, or exercising control or direction over 10% or more of the issued and outstanding Common Shares, other than Taiga Mining Company, Inc. and its associates and affiliates, which holds 31,997,211 Common Shares, or 25.4% of the outstanding Common Shares.

## **BUSINESS OF THE MEETING**

### **Financial Statements and Auditor's Report**

The audited financial statements of the Company for the year ended December 31, 2022, together with the auditor's report on those statement and the related management discussion and analysis, will be presented to the shareholders at the Meeting.

The Company is providing concurrent with this Information Circular, a request form to all registered and beneficial shareholders of the Company for use to request a copy of the Company's annual financial statements and management's discussion and analysis ("**MD&A**") and/or interim financial statements and MD&A for the interim financial statements. Shareholders must complete and return the request form or provide a written request to the Company, in order to receive financial statements and MD&A from the Company. Shareholders are encouraged to send the request form, together with the completed form of Proxy, in the addressed envelope provided to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or to return the request form to the Company in accordance with the return instructions provided thereon.

### **Appointment of Auditors**

Shareholders will be asked to vote for an ordinary resolution (in substantially the form set out below) to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, Vancouver, British Columbia as auditors of the Company until the end of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

“BE IT RESOLVED as an ordinary resolution that:

1. PricewaterhouseCoopers LLP, Chartered Professional Accountants, Vancouver, British Columbia be, and is hereby appointed as the auditors of the Company to hold office until the close of the next annual meeting of the Shareholders at the remuneration to be fixed by the Board of Directors of the Company; and
2. Any officer or director of the Company is authorized and directed to do all things and execute all instruments and documents necessary or desirable to carry out the foregoing.”

Approval of the ordinary resolution requires the affirmative vote of a majority of the votes cast in respect thereof by holders of Common Shares represented at the Meeting. **The persons designated in the enclosed Form of Proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants as auditor of the Company to hold office until the next annual meeting of shareholders, and authorizing the directors to fix the remuneration of the auditor, unless instructed otherwise.**

#### Fixing Number of Directors of the Company

At the Meeting, it is proposed that the number of directors of the Company to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the constating documents of the Company, be set at six (6). There are presently six (6) directors of the Company. All of the current directors of the Company will be standing for re-election.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at six (6).

#### Election of Directors

The articles of the Company provide that the Company shall have a minimum of one and a maximum of eleven directors. As the Company is a reporting issuer, it must have not less than three directors. There are presently six (6) members of the Board of Directors of the Company (the “**Board**”) and their terms of office expire at the Meeting. It is proposed that six (6) of the nominees be re-elected or elected, as applicable, as directors of the Company at the Meeting to serve until the next annual meeting of Shareholders, or until their successors are duly elected or appointed.

The following table sets forth, for all persons proposed to be nominated for election as directors, all positions and offices with the Company now held by them, their principal occupations, periods during which they have served as directors of the Company and the number of voting shares of the Company beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction.

Name and Municipality of Residence	Present Position with the Company and Principal Occupation	Director Since	Common Shares beneficially owned directly or indirectly
Anthony Huston Surrey, British Columbia, Canada	President and Chief Executive Officer, and Director of the Company; President, Huston & Huston Holdings Corp.	April 27, 2011	548,000
Douglas H. Smith Vancouver, British Columbia, Canada	Executive Chairman and Director of the Company and a professional engineer	January 29, 2014	275,000
Scott S. Packman, J.D. MBA <sup>(1)(2)</sup> New York, New York USA	Director of the Company and a lawyer. Principal, SSP Partners LLC during 2016 to 2020 and November 2021 to present.	May 9, 2022	Nil
Bedi A. Singh, FCA <sup>(1)(2)</sup> Manhattan Beach, California USA	Director of the Company and a Chartered Accountant. Principal, BAS Consulting from 2018 to present	July 1, 2022	2,600

Patrick Smith <sup>(1)(2)</sup> Spokane, Washington, USA	Director of the Company and a professional geologist	December 11, 2014	55,000
Brian Budd <sup>(1)(2)</sup> Surrey, British Columbia, Canada	Director of the Company and Real Estate Broker with REMAX Real Estate Group	March 22, 2012	3,000

NOTES:

- (1) Members of Audit Committee.
- (2) Members of Compensation Committee.

Approval of the ordinary resolution requires the affirmative vote of a majority of the votes cast in respect thereof by holders of Common Shares represented at the Meeting. **The persons designated in the enclosed Form of Proxy intend to vote FOR the election of the above nominees as directors to hold office until the next annual meeting of shareholders unless instructed otherwise.**

**Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

To the Company’s knowledge, no proposed director is, as of the date hereof, or has been, within 10 years before the date of this Information Circular, a director, CEO or CFO of any company (including the Company) that, (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

To the Company’s knowledge, no proposed director is, as at the date hereof, or has been within 10 years before the date of the Information Circular, (a) 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 (b) made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the proposed director.

To the Company’s knowledge, no proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

The persons designated in the enclosed Form of Proxy, unless instructed otherwise, intend to vote FOR the election of the nominees set forth above. Management does not contemplate that any of the nominees will be unable to serve as a director. However, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed Form of Proxy reserve the right to vote for other nominees in their discretion.

**Director Biographies**

**Anthony Huston, CEO & Director**

Anthony Huston is a successful entrepreneur with a background in the tech sector, business development and finance. Having served as Managing Partner in both public and private companies, Mr. Huston played an integral role in raising more than \$150 million in his career. Mr. Huston has also served as an advisor on financial and acquisition transactions in industries ranging from the resource sector, real estate development, biotechnology and information technology.

**Douglas H. Smith, Executive Chairman & Director**

Douglas Smith has over 35 years of experience in the international coal industry as a senior executive and corporate director. Mr. Smith was the General Manager of Xstrata Coal Canada from mid-2011 to mid-2013 following Xstrata Coal’s purchase of First Coal Corporation in 2011. As President, CEO and Director of First Coal, Mr. Smith raised over

\$50 million in equity prior to its sale to Xstrata. For the preceding twelve years, Mr. Smith served as President and Director of Andalex Resources Inc., a private U.S. coal company, until its sale in 2006.

**Scott Packman, Independent Director**

Scott Packman is a highly regarded corporate strategist, successful operator, trusted advisor, pre-eminent negotiator and attorney. Prior to joining Graphite One's Board of Directors, Mr. Packman was the General Counsel and Executive Vice-President of Madison Square Garden Entertainment Corp. Mr. Packman also served as the General Counsel of MGM Holdings Inc., the owner of the iconic MGM movie and television studio, for over 11 years. Mr. Packman is currently the Managing Member of SSP Partners Inc., which identifies, evaluates and advises on strategic acquisitions for financiers and provides services as a director to Moonraker Holdco LLC, the owner of Talent Systems, and Instant Web Holdings, LLC, owner of IWCO Direct.

Mr. Packman was admitted to the California, Florida and New York state bars, and graduated from the New York University School of Law and holds a B.B.A and an M.B.A. from the University of Texas.

**Bedi A. Singh, Independent Director**

Bedi A. Singh is a seasoned senior executive with deep financial experience with decades of public company service primarily in the media, entertainment and technology sectors. Mr. Singh served on the Board of The Meet Group, previously a Nadaq listed technology company and currently serves on the North American Advisory Board of The London School of Economics. Mr. Singh is also the managing partner at BAS Consulting providing advisory, Board and management consulting services.

Mr. Singh served as the Chief Financial Officer of News Corporation from 2012 to 2017, Co-CEO, President & Chief Financial Officer for MGM Studios, as Chief Financial Officer at Gemstar-TV Guide and as Executive Vice-President and Chief Financial Officer of Sony Pictures Entertainment.

Mr. Singh is a graduate of London School of Economics and Political Science, a Fellow of the UK Institute of Chartered Accountants and a graduate of the Program for Management Development at Harvard Business School.

**Patrick Smith, Independent Director**

Patrick Smith is a senior mining executive with 40 years of executive management experience in the international mining exploration and mining industry, including 20 years in Alaska. Mr. Smith held the position of Alaskan Exploration Manager for Kennecott Exploration Company as well as other senior management positions with Rio Tinto PLC over the course of 32 years, culminating in his role as Managing Director of Exploration, Australasia Region based in Perth, Australia. Mr. Smith was President and CEO of Heatherdale Resources Ltd. with a focus on advance stage Niblack polymetallic deposit in Alaska.

Mr. Smith is a Fellow of the Society of Economic Geologists, member of Society of Mining Engineers, the American Exploration and Mining Association.

Mr. Smith holds Professional Geologist licenses in Utah, Wyoming, and Washington.

**Brian Budd, Independent Director**

Brian Budd has an extensive management and corporate development background with over 25 years of entrepreneurial and sales leadership experience in the resource and high-tech industries. Mr. Budd's business acumen includes the development and execution of comprehensive business and financing plans, corporate communication programs as well as strategic planning for both domestic and international markets. Mr. Budd has held the position of President & Chief Executive Officer and directorships for several public companies since 2010.

**Re-Approval of the Option Plan**

The Company has an incentive stock option plan (the "Stock Option Plan") for directors, officers, employees and consultants of the Company and its affiliates previously approved by the Company's shareholders at the last annual general and special meeting of shareholders held on June 29, 2022. A copy of the Stock Option Plan is attached

hereto as Appendix "A" and filed on SEDAR at [www.sedar.com](http://www.sedar.com). The Stock Option Plan is a "rolling" stock option plan that restricts the number of stock options that may be granted to a maximum of 10% of the issued Common Shares at the time of the stock option grant and is operated pursuant to the policies of the TSX Venture Exchange (the "TSXV" or the "Exchange"), including the requirement that rolling stock option plans, such as the Company's, be approved by Shareholders on a yearly basis.

Pursuant to the TSXV policies and applicable securities laws, the Common Shares underlying the options granted may be restricted from trading for a period of four months from the date of grant of the option.

Accordingly, at the Meeting, Shareholders will be asked to pass an ordinary resolution re-approving the Company's Stock Option Plan, attached hereto as Appendix "A". A summary of the material provisions of the Stock Option Plan are set out under the heading "Executive Compensation – Stock Options and Other Compensation Securities". A summary of some of the additional provisions of the Stock Option Plan are as follows:

1. the aggregate maximum number of Common Shares reserved for issuance pursuant to all security-based compensation granted to insiders of the Company ("**Insiders**") (as a group) in a 12-month period shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant (unless the Company has obtained the requisite Disinterested Shareholder Approval (as defined in the Stock Option Plan));
2. the aggregate maximum number of Common Shares reserved for issuance pursuant to all security-based compensation granted to Insiders (as a group) at any point in time shall not exceed 10% of the issued and outstanding Common Shares (unless the Company has obtained the requisite Disinterested Shareholder Approval);
3. investor relations service providers may not receive any compensation involving the issuance or potential issuance of Common Shares, other than options;
4. options issued to investor relations service providers shall vest such that: (i) no more than 25% vest sooner than three months after the options were granted; (ii) no more than another 25% vest sooner than six months after the options were granted; (iii) no more than another 25% vest sooner than nine months after the options were granted; and (iv) the remainder of the options vest no sooner than 12-months after the options were granted;
5. no stock options may be granted under the Stock Option Plan until the requisite yearly shareholder approval of the Stock Option Plan has been obtained;
6. the Stock Option Plan now contains "cashless exercise" and a "net exercise" provisions. The "cashless exercise" provision provides a mechanism for a brokerage firm to facilitate the exercise of a stock option by loaning funds to the optionee. The "net exercise" provision allows for a method of stock option exercise under which the optionee does not make any payment to the issuer for the exercise of their stock options and receives, on exercise, a number of shares equal to the value (current market price less the exercise price) of the stock option valued at the current market price. Pursuant to the TSXV Policy 4.4, the current market price must be the 5-day volume weighted average trading price prior to stock option exercise. The "net exercise" provision is not available for use by investor relations service providers;
7. any adjustment to options granted under the Stock Option Plan (other than in connection with a share consolidation or split), is subject to prior TSXV acceptance, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization; and
8. any amendment to reduce the exercise price or extend the term of options, if the optionee is an Insider at the time of the proposed amendment, will be subject to Disinterested Shareholder Approval.

The Board believes the Stock Option Plan is in the Company's best interests and recommends that the Shareholders approve the Stock Option Plan.

### Form of Resolution

Shareholders will be asked to consider and, if deemed advisable, approve and pass the following ordinary resolution:

“BE IT RESOLVED THAT, subject to the approval of the TSX Venture Exchange (the “Exchange”):

1. The incentive stock option plan of the Company, (the “**Stock Option Plan**”) be and is hereby ratified and approved;
2. The Company is authorized to grant stock options under the Stock Option Plan in accordance with its terms;
3. The issued and outstanding stock options previously granted shall be continued under and governed by the Stock Option Plan;
4. The Company is authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the Exchange to obtain Exchange acceptance of the Stock Option Plan; and
5. Authority is granted to the Board of Directors of the Company to make such amendments to the Stock Option Plan as are required by the Exchange to obtain Exchange acceptance of the Stock Option Plan.”

Approval of the ordinary resolution requires the affirmative vote of a majority of the votes cast in respect thereof by holders of Common Shares represented at the Meeting. **The persons designated in the enclosed Form of Proxy intend to vote FOR the re-approval of the Stock Option Plan.**

### Re-Approval of the Omnibus Plan

The Company’s omnibus plan (the “**Omnibus Plan**”) was implemented effective May 3, 2021 and approved and ratified at the last annual general and special meeting of Shareholders held on June 15, 2021 and re-approved at the last annual general and special meeting of Shareholders held on June 29, 2022. The Board determined that it is desirable to have a wide range of incentive awards, including restricted share units, deferred share units, performance units and other security-based awards (collectively, the “**Awards**”) to attract, retain and motivate employees, directors and consultants of the Company.

The Omnibus Plan is a fixed plan which reserves for issuance a maximum of 6,520,000 Common Shares of which 6,488,367 restricted share units have been issued and outstanding as at May 15, 2023. With the Company expecting to add to its management and technical team for its feasibility study, the Company is seeking shareholders’ approval to increase the number of Common Shares reserved for issuance under the Omnibus Plan from 6,520,000 to 12,500,000. The Common Shares reserved for issuance under the Omnibus Plan will not be deducted from the number of Common Shares issuable under the Stock Option Plan. Subject to the 10% rolling limit with the Stock Option Plan and shareholders’ approval for an increase in the number of Common Shares reserved for issuance under the Omnibus Plan to a maximum limit of 12,500,000 Common Shares, the Company will have the flexibility to grant and award Insiders any combination of Awards and options as appropriate and determined under the Company’s compensation policies.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, pass an ordinary resolution (the “**Omnibus Plan Resolution**”) approving the Company’s Omnibus Plan attached hereto as Appendix “C”. A summary of the material provisions of the amended Omnibus Plan are set out under the heading “Executive Compensation – Stock Options and Other Compensation Securities”.

A summary of some of the provisions of the Omnibus Plan are as follows:

1. the aggregate maximum number of Common Shares reserved for issuance pursuant to all security-based compensation granted to Insiders shall not exceed 10% of the issued and outstanding Common Shares granted under the Omnibus Plan and the Company’s other security-based compensation plans, at any point in time (unless the Company has obtained the requisite Disinterested Shareholder Approval (as defined in the Omnibus Plan));

2. investor relations service providers may not receive any compensation involving the issuance or potential issuance of Common Shares, other than stock options;
3. no Award, or portion of an Award, may vest before the date that is one year following the date of grant, and vesting may only be accelerated in instances where a participant ceases to be an eligible by reason of death or a Change of Control (as defined in the Omnibus Plan);
4. the Board (or any appointed subcommittee) shall not have the discretion, power or authority to modify the terms or conditions of any Award that is intended to be exempt from the definition of “salary deferral arrangement” under subsection 248(1) of the *Income Tax Act* (Canada) if the exercise of such discretion would cause the Award to cease to be exempt from such definition;
5. for clarity, in instances where participants are entitled to receive Awards in lieu of dividends, the limits prescribed by Section 3.1(a)(i) of the Omnibus Plan apply;
6. no other security-based award may be granted under the Omnibus Plan unless such other security-based award is defined in, and in compliance with, the TSXV Policy 4.4;
7. in no event shall a participant have shareholder rights (including, without limitation, voting rights, any entitlement to dividends, or rights on liquidation) with respect to an Award until the actual underlying Shares are issued and registered to such participant;
8. subject to the terms of the Omnibus Plan, and the approval of the TSXV and/or the Shareholders (as applicable), the Board (or any appointed subcommittee) may: (a) allow unvested Awards to be treated as vested Awards upon a participant ceasing to be eligible for Awards under the Omnibus Plan by reason of death or a Change of Control, (b) provide that Awards with respect to certain classes, types or groups of participants will have different forfeiture, termination, continuation or other terms than other classes, types or groups of participants, (c) provide for the continuation of any Award for a period not exceeding 12-months, upon such terms and condition as determined by the Board or subcommittee, in the event that a participant ceases to be eligible for Awards under the Omnibus Plan; or (d) set out other terms for the exercise or termination of Awards in the event that a participant ceases to be eligible for Awards under the Omnibus Plan; and
9. the provisions surrounding amendments to, and termination of, the Omnibus Plan have changed as follows:
  - a. subject to approval by the TSXV, the Board may suspend or terminate the Omnibus Plan at any time, or from time to time amend or revise the terms of the Omnibus Plan or any granted Award without the consent of the participants provided that such suspension, termination, amendment or revision shall: (i) not adversely alter or impair the rights of any participant, without the consent of such participant except as permitted by the provisions of the Omnibus Plan; (ii) be in compliance with applicable law and the rules and policies of the TSXV; and (iii) be subject to Shareholder approval including Disinterested Shareholder Approval; and
  - b. the Board (or any appointed subcommittee) shall be required to obtain Shareholder approval or Disinterested Shareholder Approval (as applicable and if required by the rules and policies of the TSXV), to make the following amendments: (i) the addition of additional categories of eligible persons; (ii) any increase to the maximum number of Common Shares issuable under the Omnibus Plan except in the event of an adjustment pursuant to the terms of the Omnibus Plan; (iii) any amendment which extends the expiry date of any Award, with Disinterested Shareholder Approval being required if the participant is an Insider at the time of the proposed extension; (iv) any amendment which results in the reduction in the exercise price of an Award, with Disinterested Shareholder Approval being required if the participant is an Insider at the time of the proposed amendment; (v) any amendment resulting in a benefit to an Insider, which shall require Disinterested Shareholder Approval; (vi) any amendment to the amendment provisions of the

Omnibus Plan; or (vii) any other amendment required to be approved by shareholders, or requiring Disinterested Shareholder Approval, under applicable law or the rules and policies of the TSXV.

The Board believes the Omnibus Plan is in the Company's best interests and recommends that the Shareholders approve the Omnibus Plan.

#### **Form of Resolution**

Shareholders will be asked to consider and, if deemed advisable, approve and pass the following ordinary resolution:

"BE IT RESOLVED THAT, subject to the approval of the Exchange:

1. The Company's Omnibus Plan, as described and included in the Information Circular, pursuant to which the directors may, from time to time, authorize the issuance of up to 12,500,000 common shares of the Company to directors, officers, employees, and consultants of the Company in accordance with the Omnibus Plan, is hereby authorized, ratified, approved and confirmed, subject to final regulatory approval; and
2. Any one or more of the directors or officers of the Company is authorized and directed, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the resolution.

Approval of the ordinary resolution requires the affirmative vote of a majority of the votes cast in respect thereof by holders of Common Shares represented at the Meeting. **The persons designated in the enclosed Form of Proxy intend to vote FOR the approval of the Omnibus Plan.**

#### **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying Form of Proxy confers discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting.

#### **EXECUTIVE COMPENSATION**

##### **Interpretation**

For the purpose of this Statement of Executive Compensation:

"NEO" or "named executive officer" means each of the following individuals:

- (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, the next three most-highly compensated executive officers other than the individual identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; 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.

### **Named Executive Officers**

During the fiscal year ended December 31, 2022, the following individuals were NEOs of the Company:

- Anthony Huston, Chief Executive Officer
- Gordon Jang, Chief Financial Officer and Corporate Secretary
- Douglas H. Smith, Executive Chairman
- Michael Schaffner, Senior Vice-President, Mining
- Alan Ahlgren, Former CFO & Corporate Secretary

### **Performance Highlights in 2022**

The Company has grown significantly over the last two years and is shifting from a primary focus on exploration to a multi-disciplinary focus that includes technical and economic studies as part of its feasibility study on the Company's Graphite Creek Property, including a proposed advanced graphite materials manufacturing facility expected to be located in Washington State.

As part of this shift in focus, the Company plans to transform into a vertically integrated company. Graphite One's intent is to produce high-grade anode material for the lithium-ion electric vehicle battery market and energy storage systems, with additional production for a range of value-added graphite applications. As part of this transformation, in 2022, Graphite One achieved many milestones to position the Company for success in the future, including but not limited to:

- Delivered a highly robust inaugural Pre-Feasibility Study
  - Pre-tax NPV of \$1.93 billion, IRR of 26% using an 8% discount rate, and a payback of 4.6 years.
  - Post-tax NPV of \$1.36 billion, IRR of 22% using an 8% discount rate, and a payback period of 5.1 years.
  - Project life (including Graphite Mine and Advanced Materials Manufacturing Facility): 26 years based on 1 square km of 16 km geophysical anomaly.
  - Measured plus indicated resources and inferred resources increased 197% and 177% over 2019 results.
- Completed a 2,090 meters drilling program to expand resources to be included in the feasibility study.
- Raised more than CA\$15 million in capital and reduced and settled outstanding debt of \$6.8M
- Advanced plans to create a graphite manufacturing facility in Washington State
- Began producing battery anode active materials as samples for EV manufacturers using the Company's graphite concentrate from Alaska.

### ***Executive Compensation Philosophy and Objectives***

In connection with the business transformation described above, in order to successfully execute on the Company's mission of being a vertically integrated business, in 2022, the Compensation Committee reviewed and approved a compensation philosophy that is intended to attract, retain, and incentivize highly qualified individuals, while also aligning their compensation directly with long-term shareholder value creation. Specifically, the compensation philosophy aims to achieve the following objectives:

- Provide market competitive target compensation opportunities to executives.
- Balance incentivizing the achievement of short-term strategic objectives and milestones through the annual bonus program, with long-term shareholder value creation through the long-term incentive program.
- Retain and align executives' compensation with long-term shareholder value creation with the use of 3-year vesting periods.

When setting an individual's target compensation opportunity, the Company uses external market comparisons as a reference point, with specific positioning vs. market data varying based on a variety of factors (e.g., role / responsibilities, contribution / criticality to the organization, individual performance / potential, experience, Company performance).

**Benchmarking**

It is the Company’s intention to provide total direct compensation packages to its executive officers that are competitive in the markets in which it competes for talent to ensure its executive officers are appropriately rewarded and retained. As a source of market context, the Compensation Committee worked in consultation with their independent advisor ClearBridge Compensation Group (“ClearBridge”), to establish a size-appropriate compensation comparator set of 15 companies (the “Peer Group”).

The Peer Group was developed based on comparably sized companies (e.g., ~1/5 to 5x Graphite One’s market cap), with a focus on both mining / graphite-related businesses, as well as other technology companies with whom the company competes with for talent (e.g., battery-related technologies, electric component technologies, or other renewable energy technologies). Specifically, the Peer Group consists of the following companies:

Peer Group Companies		
1. Eos Energy Enterprises	2. KULR Technology Group	3. Electrovaya
4. Romeo Power	5. Nouveau Monde Graphite	6. NextSource Materials
7. Advent Technologies Holding	8. Zentek	9. Laramide Resources
10. Nuvve Holding Corp.	11. Transphorm Technology	12. Beam Global
13. American Battery Technology Company	14. Westwater Resources	15. Northern Graphite

The Compensation Committee considered the Peer Group’s compensation for comparable roles in reviewing and recommending executive compensation for 2022 and 2023.

**Elements of Executive Compensation**

Compensation of NEOs for the year ended December 31, 2022 included a base salary, a short-term incentive plan (“STI”) that provides an annual performance-based bonus, long-term incentives (“LTI”) currently consisting of stock options and restricted share units, and other compensation such as group health benefits and cost-plus health benefits program. The Company believes that all of these components of compensation fit into the Company’s overall compensation objectives to attract and retain talented executives, reward individual and corporate performance and align executive compensation with shareholders’ interests.

**Base Salaries**

Base salaries are intended to provide a fixed source of compensation for the Company’s NEOs. Base salaries are reviewed annually, with adjustments made as warranted based on a variety of factors including but not limited to Peer Group market context, job responsibility, and individual performance. Provided in the table below is a summary of the base salaries for 2022.

NEO	Base Salary at December 31, 2022
Anthony Huston, CEO	\$300,000
Gordon Jang, CFO and Corporate Secretary	\$275,000
Douglas H. Smith, Executive Chairman	\$250,000
Michael Schaffner, Senior Vice-President, Mining	\$292,000

In order to maintain market competitiveness of base salary opportunities, based on a review of Peer Group market data, the Compensation Committee set 2023 base salaries at \$450,000 for Mr. Huston, \$285,000 for Mr. Jang, \$275,000 for Mr. Smith and \$350,000 for Mr. Schaffner. Salary changes were effective January 1, 2023, except for Mr. Schaffner whose salary was changed effective April 1, 2023.

**Short-Term Incentives (“STI”)**

Annual Performance Bonuses are designed to provide motivation to executive officers to achieve near-term corporate and individual objectives, and to reward them when such objectives are met or exceeded. NEOs can earn a Performance Bonus on the basis of individual and corporate performance. Performance Bonuses are paid at the discretion of the Board.

With respect to the 2022 financial year, the Board of Directors, with the recommendation of the Compensation Committee awarded performance bonuses to the NEOs based on the following significant achievements:

- Completion of a positive preliminary feasibility study demonstrating a pre-tax \$1.9 billion NPV using an 8% discount rate, 26.0% IRR and a 4.6-year payback
- Negotiated a share for debt settlement of \$6.8 million outstanding debt.
- Executed the planned drill program within budget.
- Raised CA\$15.1 million in capital.
- Executed its plans to complete a U.S. supply chain solution.

The Compensation Committee recommended, and the Board approved, the short-term incentive awards for the year ended December 31, 2022, which are expected to be paid in the first half of 2023, as detailed below.

NEO	Actual STI Award	As % of base salary
Anthony Huston, CEO	\$300,000	100%
Gordon Jang, CFO & Corporate Secretary	\$103,125 <sup>(1)</sup>	50%
Douglas H. Smith, Executive Chairman	\$187,500	75%
Michael Schaffner, Senior Vice-President, Mining	\$58,400 <sup>(1)</sup>	40%

(1) The STI had been prorated from Mr. Jang's start date of April 1, 2022 and from Mr. Schaffner's start date of July 1, 2022.

#### **Long-Term Incentives ("LTI")**

The Company's LTI program is intended to promote alignment of interests between employees and shareholders. The LTI program is also an effective tool to attract, motivate and retain employees through the opportunity to participate in the Company's long-term shareholder value creation.

The LTI plan provides guidelines for calculating incentive target awards for eligible employees based on their positions, long-term potential, and long-term contributions to Company success. Targets are set as a percent of each employee's base salary and are dependent on the employee's responsibilities and contribution to the Company's long-term performance.

The Board had previously awarded 100% of LTI awards in the form of stock options with immediate vesting. In 2022, in order to increase the retention and alignment of the compensation program, the Board approved an LTI mix of 25% stock options and 75%-time vested RSUs.

Stock Options have a 5-year term and vest one-third on the first, second and third anniversary of the date of grant. Stock options are inherently performance-based as they require stock price appreciation above the exercise price for the executives to receive any value. Performance orientation is increased, as executives only have 5 years to exercise.

The time-vested RSUs vest one-third ratably over three years (one-third per year) and two-thirds cliff vest on year three. Time-vested RSUs enhances the retentive aspect of the program, while also directly aligning with shareholders on both the upside and downside.

On December 27, 2022, the Board of Directors, following a recommendation from the Compensation Committee, awarded the following stock options and RSUs to NEOs:

NEO	Stock Options Awarded	Value of Stock Option Awards	RSUs Awarded	Value of RSU Awards
Anthony Huston, CEO	651,651	\$375,000	1,416,979	\$1,125,000
Gordon Jang, CFO & Corporate Secretary	97,748	\$56,250	212,547	\$168,750
Douglas H. Smith, Executive Chairman	304,104	\$175,000	661,257	\$525,000
Michael Schaffner, Senior Vice-President, Mining	68,423	\$39,375	148,783	\$118,125

### **Risk Considerations**

The Compensation Committee meets to review from time to time, the risks, if any, associated with the Company's compensation policies and practices at such time. Implicit in the Compensation Committee's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a portion of the Company's executive compensation will consist of options and awards granted under the Stock Option and Omnibus Plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long-term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is extremely limited.

The other two elements of compensation, salary and bonus, represent the remaining majority portion of an executive's total compensation. Neither salary nor bonus are "long term" and salary is not "at risk".

Due to the small size of the Company, and the current level of the Company's activity, the Board and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which incorporation includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Company's Compensation Committee is responsible for overseeing the Company's compensation program, processes and practices and making recommendations to the Board for Approval. The Board relies on the recommendations of the Compensation Committee and the experience of the directors to ensure that total compensation paid to the Company's management is reasonable and achieves the objectives of the Company's compensation philosophy.

The responsibilities of the Compensation Committee in respect of compensation matters includes reviewing and recommending to the Board the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to CEO compensation and non-CEO officer and director compensation, the review of executive compensation disclosure, succession plans for officers and for key employees and material changes and trends in human resources policy, procedure, compensation and benefits. The Compensation Committee also ensures that compensation policies and practices provide an appropriate balance of risk and reward consistent with the Company's risk profile. The Board has established a written charter for the Compensation Committee setting out its responsibilities for administering the Company's compensation programs and reviewing and making recommendations to the Board.

The Compensation Committee is comprised of the following members as at the date hereof: Brian Budd (Independent), Patrick Smith (Independent), Scott Packman (Independent) and Bedi Singh (Independent). The Compensation Committee is Chaired by Scott Packman. All Compensation Committee members are independent. Members of the Compensation Committee are experienced at setting compensation policies and guidelines within other corporations. A copy of the Compensation Committee Charter can be found on the Company's website at <https://www.graphiteoneinc.com/>.

The Company's Compensation Committee engaged the services of ClearBridge as its independent advisor to provide advice on the Company's executive and Board compensation policies and practices, including:

- assist in reviewing the Compensation Committee Charter and process;
- assist in reviewing the Company's compensation philosophy;
- assist in establishing a compensation Peer Group;
- assist in reviewing base salary, annual bonus, and LTI opportunities for the NEOs for 2022 and 2023
- assist in designing the 2022 and 2023 LTI program; and

- assist in reviewing director compensation.

In the course of conducting its activities, ClearBridge attended meetings with the Chair of the Compensation Committee and presented its advice and recommendations for discussion by the Compensation Committee. The Compensation Committee considered the advice, guidance and recommendations provided by ClearBridge as part of its assessment on its recommendations to the Board with respect to both executive and Board compensation. ClearBridge advises only the Compensation Committee and did not perform any work for management of the Company unless directed to do so by the Compensation Committee.

#### Compensation Consultant Fees

Name of Consultant	Executive and Director Compensation-Related Fees (\$)		All Other Fees(\$)	
	2022	2021	2022	2021
ClearBridge Compensation Group LLC	159,108	Nil	Nil	Nil
Lane Caputo	Nil	Nil	Nil	4,000 <sup>(1)</sup>

NOTE:

- (1) Amount is denominated in Canadian dollars.

#### Named Executive Officer Purchase of Financial Instruments

The Company has not adopted a policy to prohibit NEOs and directors from purchasing financial instruments, including prepaid forward contracts, equity swaps, collars, or units of exchange funds (collectively, “**Hedging Contracts**”) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. Based on information provided to the Company by the NEOs and directors, as of the date hereof, no NEO or director has purchased any Hedging Contracts with respect to the Company.

#### Pension Disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plan in place.

#### Named Executive Officer (NEO) Compensation

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or its subsidiaries, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiaries in the three most recently completed financial years ended December 31, 2022, December 31, 2021 and December 31, 2020.

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Short-term Incentives (\$)	Long-term Incentives (\$)	Value of perquisites (\$) <sup>(1)</sup>	Value of all Other Compensation (\$)	Total Compensation (\$)
Anthony Huston President & CEO Director	2022	300,000	300,000 <sup>(2)</sup>	1,500,000 <sup>(3)</sup>	23,651	Nil	2,123,651
	2021	300,000	325,000	3,024,398 <sup>(4)</sup>	Nil	Nil	3,649,398
	2020	298,988	104,673	61,371 <sup>(4)</sup>	Nil	Nil	465,035

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Short-term Incentives (\$)	Long-term Incentives (\$)	Value of perquisites (\$) <sup>(1)</sup>	Value of all Other Compensation (\$)	Total Compensation (\$)
Douglas H. Smith Executive Chairman Director	2022	274,038	187,500 <sup>(2)</sup>	700,000 <sup>(3)</sup>	Nil	Nil	1,161,538
	2021	250,000	145,833	767,590 <sup>(4)</sup>	Nil	Nil	1,163,423
	2020	241,688	51,976	39,713 <sup>(4)</sup>	Nil	Nil	333,377
Gordon Jang <sup>(5)</sup> CFO & Corporate Secretary	2022	247,115	103,125 <sup>(2)</sup>	225,000 <sup>(3)</sup>	Nil	Nil	575,240
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Michael Shaffner <sup>(6)</sup> Senior Vice- President, Mining	2022	146,000	58,400 <sup>(2)</sup>	157,500 <sup>(3)</sup>	14,408	Nil	376,308
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
W. Alan Ahlgren <sup>(7)</sup> Former CFO & Corporate Secretary	2022	86,789	Nil	Nil	Nil	Nil	86,789
	2021	200,000	96,667	312,681 <sup>(4)</sup>	Nil	Nil	609,348
	2020	206,966	28,875	21,661 <sup>(4)</sup>	Nil	Nil	257,502
Stanley Foo <sup>(8)</sup> Former COO	2022	130,000	Nil	Nil	18,000	Nil	148,000
	2021	220,000	83,333	312,681 <sup>(4)</sup>	36,000	Nil	616,014
	2020	220,000	60,000	3,610 <sup>(4)</sup>	36,000	Nil	319,610

NOTES:

- (1) Perquisites, including health insurance and other personal benefits are in the aggregate worth less than \$50,000 or 10% of the total salary for the financial year.
- (2) The annual performance bonuses were accrued and unpaid as of December 31, 2022.
- (3) Comprised of 25% incentive stock option and 75% of restricted share unit. The incentive stock option awards have an exercise price of CA\$1.08, vest over 3 years and expires on December 27, 2027. The fair value of the stock option awards was calculated based on the following assumptions: exercise price of \$1.08, expected life of 5-years, annual volatility of 93.2%, and risk-free rate of 3.07%. The restricted share units vest one-third ratably over three years (one-third per year) and two-third cliff vest on year three from the December 27, 2022 grant date.
- (4) The Company used the Black-Scholes Option Pricing Model to calculate the fair value of the stock options on grant date. The Company chose this methodology because it is the most commonly used method for valuing options. The fair value may not be indicative of the actual value realized. The average exercise price for the options granted in 2021 and 2020 were CA\$1.25, and CA\$0.35 per share, respectively.
- (5) Gordon Jang was appointed Chief Financial Officer and Corporate Secretary of the Company on March 1, 2022.
- (6) Michael Schaffner was appointed to Senior Vice-President, Mining on July 1, 2022.
- (7) Alan Ahlgren retired as Chief Financial Officer and Corporate Secretary of the Company on February 28, 2022.
- (8) Stanley Foo retired from the Company as Chief Operating Officer of Graphite One (Alaska) Inc. on June 30, 2022.

**External Management Companies**

The Company retained the services of Anthony Huston through Huston and Huston Holdings Corp., a corporation controlled by Anthony Huston for management services provided by Mr. Huston as President & CEO of the Company.

### Stock Options and Other Compensation Securities

The following tables set forth for each Director and NEO, all stock options and RSUs granted or issued during the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

During the most recently completed financial year, the Company granted stock options to its NEOs under the Stock Option Plan and all the options vest one-third on the first, second and third anniversary from the December 27, 2022 grant date. In addition, the Company granted time-vested RSUs that vest one-third ratably over three years (one-third per year) and two-third cliff vest on year three from the December 27, 2022 grant date.

COMPENSATION SECURITIES ISSUED TO NEOS DURING THE YEAR ENDED DECEMBER 31, 2022							
Name and Position	Number of securities underlying unexercised options, restricted share units and percentage of class	Security	Date of Issue or Grant	Exercise Price (CA\$)	Closing Price on Date of Grant (CA\$)	Closing Price of Underlying Security at Year End (CA\$)	Option Expiration Date
Anthony Huston President and Chief Executive Officer <sup>(1)(5)</sup>	651,651 (8.2%)	Options	December 27, 2022	\$1.08	\$1.08	\$1.06	December 27, 2027
	1,416,979 (37.6%)	RSUs	December 27, 2022	N/A	\$1.08	\$1.06	
Douglas Smith Executive Chairman <sup>(2)(5)</sup>	304,104 (3.8%)	Options	December 27, 2022	\$1.08	\$1.08	\$1.06	December 27, 2027
	661,257 (17.5%)	RSUs	December 27, 2022	N/A	\$1.08	\$1.06	
Gordon Jang Chief Financial Officer & Corporate Secretary <sup>(3)(5)</sup>	97,748 (1.2%)	Options	December 27, 2022	\$1.08	\$1.08	\$1.06	December 27, 2027
	212,547 (5.6%)	RSUs	December 27, 2022	N/A	\$1.08	\$1.06	
Michael Shaffner Senior Vice-President, Mining <sup>(4)(5)</sup>	68,423 (0.9%)	Options	December 27, 2022	\$1.08	\$1.08	\$1.06	December 27, 2027
	148,783 (3.9%)	RSUs	December 27, 2022		\$1.08	\$1.06	
Scott Packman Independent Director <sup>(5)</sup>	268,698 (7.1%)	RSUs	December 27, 2022	N/A	\$1.08	\$1.06	
Bedi A. Singh Independent Director <sup>(5)</sup>	226,125 (6.0%)	RSUs	December 27, 2022	N/A	\$1.08	\$1.06	
Patrick Smith Independent Director <sup>(5)</sup>	318,250 (8.4%)	RSUs	December 27, 2022	N/A	\$1.08	\$1.06	
Brian Budd Independent Director <sup>(5)</sup>	318,250 (8.4%)	RSUs	December 27, 2022	N/A	\$1.08	\$1.06	
Total – Options	1,121,926						
Total - RSUs	3,570,889						

NOTES:

- (1) As at December 31, 2022, Mr. Huston held an aggregate of 4,426,651 options, each of which are exercisable into one common share of the Company and all of which are fully vested, except for 651,651 options which were granted on December 27, 2022 and vest one-third each on the first, second and third anniversary from grant date. Of these options, 1,100,000 are exercisable at CA\$1.39 until December 22, 2026, 1,905,000 are exercisable at CA\$1.02 until February 23, 2026, 600,000 are exercisable at CA\$0.30 until May 16, 2024 and 170,000 are exercisable at CA\$0.35 until June 26, 2025.
- (2) As at December 31, 2022, Mr. D. Smith held an aggregate of 1,371,533 options, each of which are exercisable into one common share of the Company and all of which are fully vested, except for 304,104 options which were granted on December 27, 2022 and vest one-third

each on the first, second and third anniversary from grant date. Of these options, 50,000 are exercisable at CA\$1.02 until February 23, 2026, 607,429 are exercisable at CA\$1.39 until December 21, 2026, 300,000 are exercisable at CA\$0.30 until May 16, 2024 and 110,000 are exercisable at CA\$0.35 until June 26, 2025.

- (3) As at December 31, 2022, Mr. G. Jang held an aggregate of 97,748 stock options exercisable into one common share of the Company at an exercise price of \$1.08 per common share and vest one-third each on the first, second and third anniversary of the December 27, 2022 grant date.
- (4) As at December 31, 2022, Mr. M. Schaffner held an aggregate of 68,423 stock options exercisable into one common share of the Company at an exercise price of \$1.08 per common share and vest one-third each on the first, second and third anniversary of the December 27, 2022 grant date.
- (5) As at December 31, 2022, the number of restricted share units (RSUs) awarded on December 27, 2022 to NEOs and directors were the first maiden award under the Company's Omnibus Plan. The RSUs awarded to NEOs vest one-third ratably over three years (one-third per year) and two-third cliff vest on year three. The RSUs awarded to independent directors vest on December 27, 2023.

No options held by NEO's and directors were re-priced, cancelled or replaced, extended or otherwise materially modified during the most recently completed financial year.

#### Exercise of Compensation Securities by NEOs and Directors

The following table summarizes the number of options exercised by each NEO or Directors during the financial year ended December 31, 2022.

Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price (CA\$)	Date of exercise	Closing price of security on date of exercise (CA\$)	Difference between exercise price and closing price on date of exercise (CA\$)	Total value on exercise date (CA\$)
Anthony Huston, President & CEO Director	Stock Options	225,000	\$0.30	December 5, 2022	\$1.16	\$0.86	\$193,500
Douglas H. Smith, Executive Chair & Director	Stock Options	100,000	\$0.30	November 29, 2022	\$1.17	\$0.87	\$87,000
Brian Budd, Director	Stock Options	20,000	\$0.30	November 29, 2022	\$1.17	\$0.87	\$17,400
Patrick Smith, Director	Stock Options	10,000	\$0.30	December 21, 2022	\$1.10	\$0.80	\$8,000

#### Employment, Consulting and Management Agreements

##### *President & CEO Agreement*

Since February 1, 2014, the Company has in place an agreement with a private company controlled by Anthony Huston, the President and CEO to provide certain management services to the Company (the "**President & CEO Agreement**"). In June 2020, the President & CEO Agreement was amended whereby the annual fee was increased to \$300,000, retroactive to January 1, 2020. Effective January 1, 2023, Mr. Huston's annual fee increased to \$450,000 per year. All other terms remain unchanged, including a change of control provision.

#### Change of Control

If during the term of the President & CEO Agreement, any person or entity acquires effective control over the Company, regardless of the manner in which control is achieved, whether it results from a friendly or hostile takeover of shares or whether the Mr. Huston chooses to tender its shares into an offer or whether it makes another agreement with the person or entity who acquires control for the continuation of the management services or for any other benefit, Mr. Huston shall be paid a cash payment at the time of the change of control in an amount equal to three (3) times the annual fee (\$1,350,000) at that time. All unvested stock options and equity awards issued under the Company's Omnibus Plan shall immediately vest and become fully exercisable upon a change of control.

For purposes of this Agreement, a change of control shall have the following meanings:

- (a) the acquisition, directly or indirectly, by any entity, person or group of persons acting jointly or in concert, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such entity, person or group of persons acting jointly or in concert, constitutes for the first time in the aggregate 40% or more of the outstanding common shares of the Company, or
- (b) the removal, by resolution of the shareholders of the Company, of more than 40% of the then incumbent Board of Directors, or the election of more than 40% of the Board who were not incumbent directors at the time immediately preceding such election; or
- (c) the consummation of a sale of all or substantially all of the assets of the Company; or
- (d) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as the matters set out in subparagraphs (a) to (c) above.

#### ***Executive Chairman Agreement***

Under the terms of an employment agreement with Douglas H. Smith, as Executive Chairman, the Company paid an annual salary for services of \$250,000 per year. Effective January 1, 2023, Mr. Smith's annual base salary increased to \$275,000 per year. All other terms remain unchanged.

#### Change of Control

If immediately prior to a Change of Control, or within one year period after a Change of Control, the Company terminates the employment agreement, or Mr. Smith has "good reason" to terminate his employment, then the Company shall pay Mr. Smith an amount equal to two (2) times the base salary (\$550,000) plus any retroactive payment owed, if any, plus continued coverage of extended benefits for the earlier of: (i) a period up to 24 months from the date of termination, or (b) until Mr. Smith becomes eligible to receive health insurance benefits under any other group benefit plan, or (c) reimburse Mr. Smith for out-of-pocket premiums paid to a private insurer. All unvested stock options and equity awards issued under the Company's Omnibus Plan shall immediately vest and become fully exercisable upon a change of control.

#### ***CFO Agreement***

Under the terms of the employment agreement with Gordon Jang, as Chief Financial Officer, effective on April 1, 2022, the Company paid an annual salary for services of \$275,000 per year. Effective January 1, 2023, Mr. Jang's annual base salary increased to \$285,000 per year. All other terms remain unchanged.

#### Change of Control

If during the term of this Agreement, any person or entity acquires effective control over the Company, regardless of the manner in which control is achieved, whether it results from a friendly or hostile takeover of shares or whether Mr. Jang chooses to tender its shares into an offer or whether it makes another agreement with the person or entity who acquires control for the continuation of the management services or for any other benefit, Mr. Jang shall be paid a cash payment at the time of the change of control in an amount equal to two (2) times the annual base salary paid (\$570,000) at that time and continued coverage of extended benefits for the earlier of (i) a period of up to 24 months from the date of termination, or (b) until Mr. Jang becomes eligible to receive health insurance benefits

under any other group benefit plan, or (c) reimburse Mr. Jang for out-of-pocket premiums paid to a private insurer. All unvested stock options and equity awards issued under the Company's Omnibus Plan shall immediately vest and become fully exercisable upon a change of control.

### Termination and Change of Control Benefits

The Company entered into an agreement effective October 1, 2016 with a private company controlled by Anthony Huston, the President and CEO which provides management services to the Company, which has been subsequently amended on January 1, 2023. Under the agreement currently in place, the Company will pay \$1,350,000 in the event of change of control of the Company, an amount equal to three times the annual fee.

Effective January 1, 2016, the Company entered into an employment agreement with Douglas H. Smith, the Executive Chairman, which has been subsequently amended on January 1, 2023. Under the agreement currently in place, the Company will pay US\$550,000 in the event of change of control of the Company, an amount equal to two times the annual salary and continuation of group health benefits for 24 months following the termination date.

Effective April 1, 2022, the Company entered into an employment agreement with Gordon Jang, as Chief Financial Officer and Corporate Secretary, which has been subsequently amended on January 1, 2023. Under the agreement currently in place, the Company shall pay \$570,000 in the event of change of control of the Company, an amount equal to two times the annual salary and continuation of group health benefits for 24 months following the termination date.

Effective July 1, 2022, the Company entered into an employment agreement with Michael Schaffner, as Senior Vice-President, Mining, which has been subsequently amended on April 1, 2023. Under the agreement currently in place, the Company shall pay \$700,000 in the event of change of control of the Company, an amount equal to two times the annual salary.

Assuming that there was a change of control as of the date of this Information Circular, the estimated incremental payments and benefits related to the change of control would total approximately \$2,970,000.

### Independent Directors

During the most recently completed financial year, the Company had four directors who were not Named Executive Officers: Scott Packman, Bedi Singh, Brian Budd, and Patrick Smith.

The Board as a whole, on the recommendation of the Compensation Committee, determines the compensation for the CEO and the directors and reviews compensation set by the CEO for other officers and staff. The Compensation Committee is comprised of Scott Packman (Chair), Bedi Singh, Brian Budd and Patrick Smith, who are non-management directors.

In December 2022, the Compensation Committee worked in consultation with their independent advisor ClearBridge to conduct a market review of the existing independent director compensation framework relative to Peer Group practice and establish a go-forward program that is intended to attract and compensate highly sought after directors for their time and efforts.

Specifically, based on that review the Board approved the following program for independent directors: (i) an annual fee of \$30,000 for the performance of their duties as directors of the Company; (ii) a grant of shares of restricted stock units in the amount of \$175,000; and (iii) additional annual fee, payable in restricted share units, for being on the following Committees:

	Chair	Member
Audit Committee	\$ 17,500	\$ 12,500
Compensation Committee	\$ 12,500	\$ 10,000

Restricted share units granted to independent directors vest on the 1-year anniversary of the date of grant.

As part of the compensation review, independent director compensation is intended to cover directors from one Annual Shareholder meeting to the next Annual Shareholder Meeting. In December 2022, in connection with the

new compensation framework for independent directors and in order to establish a regular annual grant cadence and vesting schedule, directors were provided with additional transition RSUs grants.

**Director Compensation Table**

The following table sets forth the compensation provided to the directors who are not Named Executive Officers for the year ended December 31, 2022.

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Scott Packman	19,203	240,625	Nil	Nil	Nil	Nil	Nil	259,828
Bedi Singh	15,000	202,500	Nil	Nil	Nil	Nil	Nil	217,500
Patrick Smith	30,000	285,000	Nil	Nil	Nil	Nil	Nil	315,000
Brian Budd	30,000	285,000	Nil	Nil	Nil	Nil	Nil	315,000

**Outstanding Option-based Awards**

The following table sets forth for each director who is not also a Named Executive Officer, all option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option Exercise Price (CA\$)	Option Expiration Date	Value of unexercised in-the-money options (CA\$) <sup>(1)</sup>
Scott Packman	Nil	-	-	-
Bedi Singh	Nil	-	-	-
Patrick Smith	200,000	1.39	December 21, 2026	Nil
	100,000	0.30	May 16, 2024	76,000
	60,000	0.35	June 26, 2025	42,600
Brian Budd	200,000	1.39	December 21, 2026	Nil
	20,000	0.35	June 26, 2025	14,200

NOTE:

(1) The closing price of the Common Shares on the TSXV on the last trading day prior to December 31, 2022 was CA\$1.06.

### Outstanding Share-based Awards

The following table sets forth for each director who is not also a Named Executive Officer, all share-based awards outstanding issued pursuant to the Company's Omnibus Plan at the end of the most recently completed financial year:

Name	Number of securities underlying Restricted Share Units	Value of unvested Restricted Share Units (CA\$) <sup>(1)</sup>
Scott Packman	268,698	284,820
Bedi Singh	226,125	239,693
Patrick Smith	318,250	337,345
Brian Budd	318,250	337,345

The Closing price of the Common Shares on the TSXV on the last trading day prior to December 31, 2022 was CA\$1.06.

### Stock Option Plans and Other Incentive Plans

Other than the Stock Option Plan and the Omnibus Plan, the Company does not currently operate any plans which pay or distribute cash or non-cash compensation to executive officers.

#### *Stock Option Plan*

The Stock Option Plan permits the Board of the Company to grant incentive stock options to directors, officers, employees, Management Company Employees (as such term is defined in the policies of the TSXV) and consultants of the Company and its subsidiaries. Pursuant to the Stock Option Plan and policies of the TSXV, options may be granted to acquire a maximum number of Common Shares equal to 10% of the total issued and outstanding Common Shares of the Company at the time of the grant. The aggregate number of Common Shares reserved for issuance pursuant to all security-based compensation granted to any individual optionee in a 12-month period may not exceed 5% of the issued and outstanding Common Shares at the time of the grant (unless the Company has obtained the requisite Disinterested Shareholder Approval (as defined in the Stock Option Plan)). The aggregate number of Common Shares reserved for issuance pursuant to all security-based compensation granted to any one consultant in a 12-month period may not exceed 2% of the issued and outstanding Common Shares at the time of the grant. The aggregate number of Common Shares reserved for issuance to Insiders (as a group) at any point in time shall not exceed 10% of the issued and outstanding Common Shares (unless the Company has obtained the requisite Disinterested Shareholder Approval). The aggregate number of Common Shares reserved for issuance pursuant to all security-based compensation granted to Insiders (as a group) in a 12-month period shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant (unless the Company has obtained the requisite Disinterested Shareholder Approval). The aggregate number of options granted to investor relations service providers in a 12-month period shall not exceed 2% of the issued and outstanding Common Shares at the time of the grant. In addition, options granted to investor relations service providers shall vest such that: (i) no more than 25% vest sooner than three months after the options were granted; (ii) no more than another 25% vest sooner than six months after the options were granted; (iii) no more than another 25% vest sooner than nine months after the options were granted; and (iv) the remainder of the options vest no sooner than 12-months after the options were granted.

The options are non-transferable and will expire, if not exercised; (a) immediately upon termination of employment or removal from office for cause; (b) 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than termination of services, termination or removal for cause; (c) one year after the death of an optionee; and (d) on the tenth anniversary of the date the option was granted (subject to extension where the expiry date falls within a "blackout period"). As of the date hereof (May 20, 2023), there are 9,478,329 stock options outstanding under the Stock Option Plan.

Under the Stock Option Plan, the option exercise price is determined by the Board, provided that such price must not be lower than the greater of (i) the closing price of the Company's common share on the TSXV on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSXV, and (ii) \$0.05. An option granted under the Stock Option Plan must be exercisable within a period of 10 years from the date of grant, subject to extension pursuant to the Stock Option Plan. Within this 10-year period, the Board of the Company may determine the limitation period during which an option may be exercised and whether a particular grant will have a minimum vesting period.

The vesting provisions of options granted under the Stock Option Plan are determined by the Board, provided however, that in the case of a bona fide take-over bid (as defined under applicable securities laws), all options shall vest automatically, subject to the terms of the Stock Option Plan.

The Stock Option Plan contains a "cashless exercise" provision and a "net exercise" provision. The "cashless exercise" provision provides a mechanism for a brokerage firm to facilitate the exercise of a stock option by loaning funds to the optionee. The "net exercise" provision allows for a method of stock option exercise under which the optionee does not make any payment to the issuer for the exercise of their stock options and receives, on exercise, a number of shares equal to the value (current market price less the exercise price) of the stock option valued at the current market price. Pursuant to the policies of the TSXV, the current market price must be the 5-day volume weighted average trading price prior to stock option exercise. The "net exercise" provision is not available for use by investor relations service providers.

The policies of the TSXV also provide that Disinterested Shareholder Approval will be required for any agreement to decrease the exercise price or extend the term of options, if the optionee is an Insider at the time of the proposed amendment.

The Stock Option Plan is subject to yearly approval by the Company's shareholders. The Stock Option Plan was implemented effective April 16, 2008 and last approved by the Company's shareholders on June 29, 2022. A copy of the Stock Option Plan is included as Appendix "A" to this Information Circular.

#### *Omnibus Plan*

The Omnibus Plan provides for the granting of Restricted Share Unit Awards, Restricted Share Awards, Deferred Share Unit Awards, Other Security-Based Awards, Performance Awards (including, for greater certainty, Awards of Performance Cash, Performance Shares or Performance Units) or any other right, interest or option relating to Common Shares or other property (including cash), as determined by the Board or a subcommittee thereof (the "**Committee**"), to directors, employees, and consultants of the Company and its subsidiaries ("**Eligible Persons**"). The purpose of the Omnibus Plan is to assist the Company and its subsidiaries in attracting and retaining individuals to serve as employees, directors and consultants who are expected to contribute to the company's success and to achieve its long-term objectives.

#### Plan Administration

The Omnibus Plan shall be administered by the Committee, including the determination of Awards thereunder and the terms thereof, subject always to the provisions of the Omnibus Plan and the rules and policies of the TSXV.

#### Shares Available for Awards and Limitations on Grants

The current maximum number of Common Shares which may be reserved for issuance under the Omnibus Plan at any time shall be 6,520,000 Common Shares (subject to adjustment, as provided for in the Omnibus Plan). As at the date hereof (May 20, 2023), there are 6,488,367 restricted share units issued and outstanding under the Omnibus Plan. The Company is seeking shareholders approval to increase the maximum number of Common Shares to 12,500,000 reserved for issuance under the Omnibus Plan.

The aggregate number of Common Shares reserved for issuance pursuant to all security-based compensation granted to any individual optionee in a 12-month period may not exceed 5% of the issued and outstanding Common Shares at the time of the grant (unless the Company has obtained the requisite Disinterested Shareholder Approval (as defined in the Omnibus Plan)). The aggregate number of Common Shares reserved for issuance pursuant to all security-based compensation granted to any one consultant in a 12-month period may not exceed 2% of the issued and outstanding Common Shares at the time of the grant. The aggregate number of Common Shares reserved for

issuance to Insiders (as a group) at any point in time shall not exceed 10% of the issued and outstanding Common Shares (unless the Company has obtained the requisite Disinterested Shareholder Approval). The aggregate number of Common Shares reserved for issuance pursuant to all security-based compensation granted to Insiders (as a group) in a 12-month period shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant (unless the Company has obtained the requisite Disinterested Shareholder Approval).

The foregoing limitation do not apply to Awards which may be settled in cash only.

Awards will not be issued under the Omnibus Plan to any investor relations service providers and investor relations service providers may not receive any compensation involving the issuance or potential issuance of Common Shares, other than stock options.

#### Vesting Provisions

The Committee shall determine the vesting terms of Awards, including any acceleration thereof, provided that in no event shall an Award, or any portion of an Award, be granted with a vesting period of less than one year following the date of grant, and provided further that vesting may only be accelerated in instances where a participant ceases to be an Eligible Person by reason of death or a Change of Control (as defined in the Omnibus Plan).

#### Effect of Termination

Upon a participant ceasing to be an Eligible Person under the Omnibus Plan, then: (a) in the case of termination for cause, any vested or unvested Award granted to such participant shall terminate automatically and become void immediately, (b) in the case of termination without cause, any unvested Award granted to such participant shall terminate and become void immediately, and any vested Award granted to such participant may be exercised by such participant or redeemed and settled by the Company within 90 days of termination, (c) in the case of resignation, retirement or permanent disability, any unvested Award granted to such participant shall terminate and become void immediately, and any vested Award granted to such participant may be exercised within 90 days of the relevant date of resignation, retirement or disability, (d) by reason of death, vested awards shall be exercisable or redeemable within 12-months after such participant's death (or prior to the expiration of the original term, if earlier), and (e) by reason of electing a voluntary leave of absence of more than 12-months, the Board may determine, in its sole discretion but subject to applicable laws, that such participant's participation in the Omnibus Plan shall be terminated, provided that all vested Awards granted to the participant shall remain outstanding and in effect until the applicable exercise or redemption date, or an earlier date as may be determined by the Board.

Notwithstanding the foregoing, and subject to the terms of the Omnibus Plan, and the approval of the TSXV and/or the Shareholders (as applicable), the Committee may: (a) allow unvested Awards to be treated as vested Awards upon a participant ceasing to be an Eligible Person by reason of death or a Change of Control, (b) provide that Awards with respect to certain classes, types or groups of participants will have different forfeiture, termination, continuation or other terms than other classes, types or groups of participants, (c) provide for the continuation of any Award for a period not exceeding 12 months, upon such terms and condition as determined by the Committee, in the event that a participant ceases to be an Eligible Person; or (d) set out other terms for the exercise or termination of Awards in the event that a participant ceases to be an Eligible Person.

#### Change of Control

In the event of a Change of Control, then, notwithstanding any other provision of the Omnibus Plan, the Board will take one or more of the following actions with respect to Awards, contingent upon the closing or completion of the Change of Control:

- (a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar award;
- (b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);
- (c) accelerate the vesting, subject to Exchange approval, in whole or in part, of the Award;

- (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;
- (e) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change of Control, in exchange for no consideration or such consideration, if any, as the Board, in its sole discretion, may consider appropriate; or
- (f) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change of Control, in exchange for a payment, in such form as may be determined by the Board, subject to the terms of the Omnibus Plan, provided however, that any escrow, holdback, earnout or similar provisions in the definitive agreement for the Change of Control may apply to such payment to the holder of the Award to the same extent and in the same manner as such provisions apply to the holders of Shares.

#### Assignment

Except as specifically permitted by law, and the rules and policies of the TSXV, Awards granted under the Omnibus Plan are non-assignable and non-transferable.

#### Amendment

Subject to approval by the TSXV, the Board may suspend or terminate the Omnibus Plan at any time, or from time to time amend or revise the terms of the Omnibus Plan or any granted Award without the consent of the participants provided that such suspension, termination, amendment or revision shall: (i) not adversely alter or impair the rights of any participant, without the consent of such participant except as permitted by the provisions of the Omnibus Plan; (ii) be in compliance with applicable law and the rules and policies of the TSXV; and (iii) be subject to Shareholder approval including Disinterested Shareholder Approval.

The Committee shall be required to obtain Shareholder approval or Disinterested Shareholder Approval (as applicable and if required by the rules and policies of the TSXV), to make the following amendments: (i) the addition of additional categories of Eligible Persons; (ii) any increase to the maximum number of Common Shares issuable under the Omnibus Plan except in the event of an adjustment pursuant to the terms of the Omnibus Plan; (iii) any amendment which extends the expiry date of any Award, with Disinterested Shareholder Approval being required if the participant is an Insider at the time of the proposed extension; (iv) any amendment which results in the reduction in the exercise price of an Award, with Disinterested Shareholder Approval being required if the participant is an Insider at the time of the proposed amendment; (v) any amendment resulting in a benefit to an Insider, which shall require Disinterested Shareholder Approval; (vi) any amendment to the amendment provisions of the Omnibus Plan; or (vii) any other amendment required to be approved by shareholders, or requiring Disinterested Shareholder Approval, under applicable law or the rules and policies of the TSXV.

#### Tax Withholding and Clawback

Any distribution, delivery of Common Shares or payment to participants under the Omnibus Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company or the Committee shall determine. In addition, any Award which is subject to recovery under law, government regulation or stock exchange listing requirement or under any policy adopted by the Company, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation stock exchange listing requirement or policy.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company does not operate any plans which pay or distribute cash or non-cash compensation to executive officers other than the Stock Option and the Omnibus Plan (subject to approval by the shareholders at this Meeting) which will operate in accordance with the policies of the TSXV. The Stock Option and Omnibus Plan permit the Board of the Company to grant incentive stock options and other awards to directors, officers, employees and consultants of the Company and its affiliates. Pursuant to the Stock Option and Omnibus Plans and policies of the TSXV, options may be granted to acquire a maximum number of Common Shares equal to 10% of the total issued and outstanding Common Shares of the Company at the time of the grant and the aggregate number of securities reserved for issuance to any individual optionee in any 12 month period may not exceed 5% (2% in the case of consultants) of

the issued and outstanding Common Shares. The options are non-transferable and will expire, if not exercised, immediately upon termination of employment or removal from office for cause; 90 days following the date the optionee ceases to be a director, officer or employee of the Company for reasons other than termination or removal for cause; one year after the death of an optionee; and on the fifth anniversary of the date the option was granted.

The Stock Option and Omnibus Plans were last approved and ratified by Shareholders at the annual general and special meeting held June 29, 2022. The following table sets forth information with respect to the Stock Option and Omnibus Plans as at the Company's most recently completed financial year ended December 31, 2022. All stock options and restricted share units were granted pursuant to a previously approved equity compensation plan.

<b>Equity Compensation Plan Information</b>			
	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup></b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Plan Category	(a)	(b)	(c)
Stock Option Plan approved by shareholders	7,960,586	\$1.03	2,987,102
Omnibus Plan approved by shareholders	3,769,266	-	2,750,734
Equity Compensation plans not approved by shareholders	N/A	N/A	N/A
<b>TOTAL:</b>	<b>11,729,852</b>	<b>\$1.03</b>	<b>5,737,836</b>
NOTES:			
(1) Reference should be made to the Company's audited annual financial statements for the year ended December 31, 2022 for more detailed disclosure relating to the stock options granted, exercised and outstanding.			

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors or executive officers of the Company, or any associates or affiliates of such persons, have been indebted to the Company at any time during or since the financial year ended December 31, 2022.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of the directors, executive officers, proposed directors or principal shareholders of the Company, nor any associate or affiliate of the foregoing, have any interest, direct or indirect, in any transaction since the commencement of the Company's financial year ended December 31, 2022, or in any proposed transaction that has materially affected or that would materially affect the Company or any of its subsidiaries, except as follows:

- (1) Management fees payment in the sum of \$300,000 were paid to Huston & Huston Corp., a corporation controlled by Anthony Huston for Mr. Huston's services as President & CEO of the Company. In addition, there is \$300,000 accrued to Huston & Huston Corp. for a short-term incentive payment that is expected to be paid during the first half of 2023.
- (2) On August 22, 2022, the Company entered into a debt settlement agreement with Taiga Mining Company, Inc., the Company's largest shareholder, to settle the outstanding principal of \$4,800,000 and accrued interest of \$1,975,230 on the two Taiga Loans, subject to approval by the TSXV. On September 19, 2022, the Company completed the debt settlement agreement by issuing to Taiga 9,296,328 common shares of the Company at a price of CA\$1.12 per share and recognized a \$1,079,139 loss on settlement of the debt.

See "Executive Compensation".

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON**

There is no material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, by any director or executive officer of the Company or proposed nominee for election as a director of the Company, or any associate or affiliate of such persons, in any matter to be acted on other than the election of directors. See "Business of the Meeting".

## **CORPORATE GOVERNANCE**

### **Board of Directors**

The Board is currently comprised of six (6) directors, four (4) of whom are independent using the definition of independence set out in section 1.4 of National Instrument 52-110 – Audit Committees ("**NI 52-110**"). A director is independent if they have no direct or indirect material relationship to 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. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Brian Budd, Patrick Smith, Scott Packman and Bedi Singh are the current four directors on the Board who are independent. Anthony Huston is not independent as he is the President and Chief Executive Officer of the Company. Douglas Smith is not independent as he is the Executive Chairman of the Company.

The size of the Company is such that all of the Company's business operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without members of management and non-independent directors being present. Further supervision is performed through the Audit Committee, which can meet with the Company's Auditors without management in attendance. The independent directors discharge their responsibilities for independent oversight of management through their representation on the Board.

### **Directorships**

None of the Company's current directors are directors of any other issuers that are reporting issuers (or the equivalent).

### **Orientation and Continuing Education**

The Company does not have formal orientation and training programs. New directors are provided with: (a) information respecting the functioning of the Board and its committees, and copies of the Company's governance and other policies; (b) access to recent and historical publicly filed documents of the Company, technical reports and the Company's internal financial information and records; and (c) access to management, technical experts and consultants. Directors also receive ongoing education on the Company's operations by way of management presentations. Directors maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education and experience as business persons and managers, service as directors of other public issuers and advice from the Company's legal counsel, auditors and other advisers.

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet its responsibilities to shareholders. The Board has adopted a written code of business conduct and ethics (the "**Code**") for its directors, officers, consultants and employees, which can be viewed at [www.sedar.com](http://www.sedar.com). The Code states basic principles to guide the affairs of the Company. The Company is to conduct its business and affairs honestly and with integrity, using high ethical standards with a view to the best interests of the Company as a whole and to enhance shareholder value. The Code requires compliance with accounting requirements and accuracy of records, mandates compliance with laws in each jurisdiction in which the Company carries on its business, addresses conflicts of interest, requires compliance with the Company's policies, prohibits discrimination, intimidation and harassment, promotes safety and protection of the environment, promotes respect and enhancement of the

economic and social situations of communities in which the Company conducts its operations, discourages payments to public officials as well as the giving and receipt of gifts or other personal benefits, and promotes the observance of high ethical standards with companies and individuals with which the Company does material business.

Members of the Board ensure that they and management set an example by conducting the Company's business and dealings with the highest ethical standards. Through management, the Board ensures that employees and consultants are made aware of, and comply with, the Code. Individuals who breach the Code may be subject to disciplinary action including dismissal.

#### **Nomination of Directors**

The Company does not have a formal process or committee for proposing new nominees to the Board. The Board is responsible for identifying potential Board candidates. It assesses potential candidates to fill perceived needs on the Board for required skills, education, expertise, independence and other relevant factors.

#### **Other Board Committees**

The Board does not have any standing committees other than the Audit Committee and Compensation Committee. As the size of the Company does not warrant a larger Board and as directors are actively involved in the operations of the Company, the Board has determined that additional Board committees are not necessary at this stage of the Company's development.

#### **Assessments**

The Board monitors but does not formally assess the effectiveness of the Board as a whole, the committees of the Board or the performance or contribution of individual directors. The Board satisfies itself that the Board, its committees and individual directors are performing effectively through regular interaction and through open communication with the Executive Chairman and other senior management to ensure that strategic and governance risks and objectives are being addressed on a continuous basis.

#### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

##### **The Audit Committee's Charter**

The text of the Company's Audit Committee charter is attached hereto as Appendix "B".

##### **Composition of the Audit Committee**

In the most recently completed financial year, the Audit Committee consists of: Bedi Singh (Chair), Scott Packman, Brian Budd and Patrick Smith. All are independent members of the Audit Committee, as defined in NI 52-110 and all members are financially literate.

##### **Relevant Education and Experience**

The education and experience of each of the present Audit Committee members that is relevant to the performance of his responsibilities as an audit committee member is as follows:

###### *Bedi Singh, FCA*

Mr. Singh is a Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales. Mr. Singh is currently a Principal at BAS Consulting and was previously the CFO for News Corp from 2012 to 2017 and the CFO of MGM Studios from 2008 to 2010.

###### *Scott Packman, J.D., M.B.A.*

Mr. Packman is a lawyer with extensive experience in business and legal affairs, operations, financings, MD&A, litigation and risk management. Mr. Packman was previously, the General Counsel, Executive Vice-President at Madison Square Garden Entertainment Corp. from 2020 to 2021, a Principal at SSP Partners LLC, a firm that specializes in evaluating and advising on strategic investment opportunities.

*Brian Budd*

Mr. Budd has been an executive officer and/or director and member of audit committees on a number of public issuers. Mr. Budd has extensive experience in overseeing risk management, financial reporting, strategic planning, and corporate development.

*Patrick Smith*

Mr. Smith has 40 years of technical, operational and commercial experience in mineral exploration gained from work in a wide range of commodities, most of which was spent with Rio Tinto Group. As Managing Director Australasia for Rio Tinto, Mr. Smith was involved in setting human resource policies, oversee consolidating financial reporting, taxation and compliance reporting.

**Audit Committee Oversight**

At no time since the commencement of the Company’s most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

**Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, it has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) or an exemption granted under Part 8 (*Exemptions*) from NI 52-110. The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption contained in section 6.1 of NI 52-110, which exempts it from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

**Pre-Approval of Policies and Procedures**

If non-audit services to be performed by the external auditor are expected to exceed 5% in aggregate of the total fees that are expected to be paid to the external auditor during the fiscal year, they must be pre-approved by the Audit Committee or by an independent member of the Audit Committee to whom the Audit Committee has delegated authority to grant such pre-approval.

All non-audit services to be performed by the external auditor that are not reasonably expected to exceed 5% in aggregate of the total fees expected to be paid to the external auditor during the fiscal year are deemed by the Audit Committee to have been pre-approved.

All non-audit services that were not recognized as non-audit services at the time of engagement, must be brought to the attention of the Audit Committee, or an independent member of the Audit Committee to whom the Audit Committee has delegated authority to grant such pre-approvals, for approval prior to the completion of the audit.

**External Auditor Service Fees**

The aggregate fees billed by the Company’s external auditors in the fiscal years ended December 31, 2022 and December 31, 2021 for audit and other services is set forth below.

<b>Year Ended</b>	<b>Audit Fees<sup>(1)</sup> CA\$</b>	<b>Audit –Related Fees<sup>(2)</sup> CA\$</b>	<b>Tax Fees<sup>(3)</sup> CA\$</b>	<b>All Other Fees CA\$</b>
2022	\$73,453	-	\$25,680	\$8,560
2021	\$34,800	-	\$20,116	-

Notes:

1. “Audit Fees” include fees necessary to perform the annual audit of the Company for the years ended December 31, 2022 and 2021. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

2. "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is contained in the Company's audited consolidated financial statements for the most recently completed financial year ended December 31, 2022. Copies of additional information and the Company's financial statements and MD&A may be obtained upon written request made to the Company at c/o Farris LLP, 25<sup>th</sup> Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 or by email to [info@graphiteoneinc.com](mailto:info@graphiteoneinc.com). The Company may require payment of a reasonable charge if the request for information is made by a person or corporation that is not a securityholder of the Company.

#### **Other Matters**

As of the date of this Information Circular, the Board is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

#### **Approval of Circular**

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the Directors.

Dated at the City of Vancouver, in the Province of British Columbia, this 20<sup>th</sup> day of May 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Anthony Huston*"

Anthony Huston  
President and Chief Executive Officer

**Appendix “A”**  
**Stock Option Plan**

Graphite One Inc. (the “**Company**”) hereby adopts an incentive stock option plan (the “**Stock Option Plan**”) for officers, directors, Employees and consultants (including the personal holding companies of such individuals) of the Company and its subsidiaries, as follows:

**1. Definitions.**

In this Stock Option Plan, the following words and expressions shall have the respective meanings ascribed to them below:

- (a) “**Board**” shall mean the board of directors of the Company;
- (b) “**Consultant**” shall mean an individual or corporation other than an Employee, officer or director, that:
  - (i) is engaged under a written contract, to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries (other than services provided in relation to a distribution of securities of the Company); and
  - (ii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any of its subsidiaries;
- (c) “**Convertible Securities**” means any security of the Company which is convertible into Shares;
- (d) “**Disinterested Shareholder Approval**” means the approval of disinterested shareholder obtained in accordance with the policies and requirements of the Stock Exchange;
- (e) “**Eligible Person**” shall mean any bona fide officer, director, Employee, Management Company Employee or Consultant of the Company or its subsidiaries, a company wholly owned by individuals who are Eligible Persons, and in respect of an individual Consultant, a company or partnership of which the individual is an Employee, shareholder or partner;
- (f) “**Employee**” means an individual who:
  - (i) is considered an Employee of the Company or of its subsidiary under the Income Tax Act, i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
  - (ii) works full-time for the Company or its subsidiary providing services normally provided by an Employee and who is subject to the same control and direction by the Company or its subsidiary over the details and method of work as an Employee of the Company or of its subsidiary, but for whom income tax deductions are not made at source, or
  - (iii) works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction by the Company or its subsidiary over the details and method of work as an Employee of the Company or its subsidiary, but for whom income tax deductions are not made at source;
- (g) “**Exercise Price**” of an Option shall mean, in respect of options issued after the Company is listed on any Stock Exchange, the price payable for a Share upon the exercise of the Option determined by the Board, provided that such price shall in no event be lower than the greater of (i) the Market Price of one Share on the last trading day immediately preceding the day on which the Option is granted, less the maximum applicable discount permitted by such Stock Exchange, and (ii) \$0.05;
- (h) “**Insider**” has the meaning ascribed thereto by the Stock Exchange;
- (i) “**Investor Relations Service Provider**” has the meaning ascribed thereto by the Stock Exchange;

- (j) **“Management Company Employee”** means an individual employed by an individual, corporation or other entity providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company;
- (k) **“Market Price”** of a Share on a particular day shall mean the last closing price of the Shares on such day on the principal Stock Exchange on which the Shares traded, provided that the Market Price shall be determined in Canadian dollars and shall be rounded to the nearest whole cent;
- (l) **“Option”** shall mean an option, granted to an Eligible Person in accordance with the terms of this Stock Option Plan, to acquire a Share from the Company upon the exercise of the Option and upon payment of the Exercise Price;
- (m) **“Optionee”** in respect of an Option, shall mean the Eligible Person to whom the Option was granted;
- (n) **“Person”** has the meaning ascribed thereto by the Stock Exchange;
- (o) **“Security Based Compensation”** has the meaning ascribed thereto by the Stock Exchange;
- (p) **“Share”** shall mean a Common Share in the capital of the Company as constituted at the date hereof and any shares of the Company into which such a common share is changed, classified, reclassified, subdivided, consolidated or converted whether by reason of an amalgamation or other form of reorganization;
- (q) **“Stock Exchange”** shall mean TSX Venture Exchange, its successors, and such other stock exchange as may be prescribed by the Board on which the Shares are listed for trading; and
- (r) **“VWAP”** means the volume weighted average trading price of the Company’s Shares listed on the Stock Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Option.

**2. Purpose.**

The purpose of the Stock Option Plan is to secure for the Company and its shareholders the incentive inherent in share ownership by officers, directors, Employees, Management Company Employee and Consultants of the Company and its subsidiaries, if any, who, in the opinion of the Board, will be largely responsible for its future growth and success.

**3. Number of Shares and Lapsed Options.**

From time to time, Shares may be reserved by the Board, in its discretion, for grants of Options under the Stock Option Plan to Eligible Persons, provided that:

- (a) the total number of Shares so reserved for issuance by the Board shall not exceed ten (10%) percent of the issued and outstanding Shares at the time of the grant (on a non-diluted basis);
- (b) the aggregate maximum number of Shares so reserved for issuance pursuant to all Security Based Compensation granted to any one Optionee in a 12-month period shall not exceed five (5%) percent of the issued Shares at the time of the grant (on a non-diluted basis);
- (c) the aggregate maximum number of Shares so reserved for issuance pursuant to all Security Based Compensation granted to Insiders (as a group) at any point in time shall not exceed 10% of the issued Shares;
- (d) the aggregate maximum number of Shares so reserved for issuance pursuant to all Security Based Compensation granted to Insiders (as a group) in a 12-month period shall not exceed 10% of the issued Shares at the time of the grant;
- (e) the aggregate maximum number of Shares so reserved for issuance pursuant to all Security Based Compensation granted to any one Consultant in a 12-month period shall not exceed 2% of the issued Shares at the time of the grant;
- (f) the aggregate maximum number of Options granted to Investor Relations Service Providers in a 12-month period shall not exceed 2% of the issued Shares at the time of the grant;

Appendix A – Stock Option Plan

- (g) Investor Relations Service Providers may not receive any compensation involving the issuance or potential issuance of Shares, other than Options; and
- (h) Options issued to Investor Relations Service Providers shall vest such that:
  - (i) no more than 25% of the Options vest sooner than three months after the Options were granted;
  - (ii) no more than another 25% of the Options vest sooner than six months after the Options were granted;
  - (iii) no more than another 25% of the Options vest sooner than nine months after the Options were granted; and
  - (iv) the remainder of the Options vest no sooner than 12-months after the Options were granted.

The Shares so reserved by the Board under the Stock Option Plan shall be authorized but unissued Shares.

Nothing contained herein shall restrict or limit or be deemed to restrict or limit the rights or powers of the Board in connection with any allotment and issuance of any options, rights or shares which were not allotted and issued hereunder. This Stock Option Plan shall not restrict, limit or preclude the Board from granting options outside of this Stock Option Plan to officers, directors, Employees or Consultants of the Company or to any other person or entity.

The foregoing restrictions may be waived, modified or varied with the consent of the shareholders of the Company at a meeting called for such purpose, Disinterested Shareholder Approval, and/or by approval of the Stock Exchange as and where applicable.

**4. Eligibility and Participation.**

Options shall not be granted under this Stock Option Plan to any person other than an Eligible Person. No Eligible Person shall have any claim or right to be granted Options under this Stock Option Plan.

**5. Grant of Options.**

The Board shall, from time to time and in its sole discretion, determine the Eligible Persons to whom Options are to be granted under this Stock Option Plan and may take into consideration the current and potential contributions of a particular Eligible Person to the success of the Company and such other factors which the Board deems proper and relevant.

Options shall be granted by the Board in accordance with this Stock Option Plan to Eligible Persons in its sole discretion and shall be subject to such approvals as may be required by applicable law or any Stock Exchange upon which any securities of the Company are listed.

The grant of every Option hereunder and the terms thereof, including vesting provisions, if any, shall be made by written agreement between the Company and the Optionee, the provisions of which shall conform to the provisions of this Stock Option Plan and the policies and requirements of the Stock Exchange, and shall be otherwise satisfactory to the Board in its sole discretion.

A grant of Options under the Stock Option Plan shall not be construed as giving an Optionee any right to continue in the employment of the Company or any of its subsidiaries, nor shall it affect the right of the Company or any subsidiary to terminate the employment or services of any Optionee.

A grant of Options under the Stock Option Plan shall not be construed as giving an Optionee any rights as a shareholder of the Company with respect to any of the Shares underlying the Options unless and until such Optionee shall have become the holder of such Shares upon exercise of such Option in accordance with the terms of the Stock Option Plan.

For stock options granted to Employees, Management Company Employees or Consultants of the Company or its subsidiaries, the Company and the Optionee are responsible for ensuring and confirming that the Employee,

## Appendix A – Stock Option Plan

Management Company Employee or Consultant is a bona fide Employee, Management Company Employee or Consultant.

This Plan must be approved by the shareholders of the Company at the time this Plan is to be implemented and yearly thereafter, at the Company's annual general meeting of shareholders held in accordance with the timing requirements set out in Stock Exchange Policy 3.2 *Filing Requirements and Continuous Disclosure*.

- (a) In the event the Company fails to obtain the yearly approval of its shareholders within 15 months of its last annual general meeting of shareholders, then commencing on the earlier of:
  - (i) the date of the annual general meeting of the shareholders of the Company at which the Plan was not approved; and
  - (ii) the date that is 15 months after the date of the annual general meeting of the shareholders of the Company at which the Plan was last approved,no Options shall be granted or issued hereunder until the requisite approval of the Plan has been obtained from the shareholders of the Company.

The Board must ensure that any arrangements with Investor Relations Service Providers provide for a mechanism for the monitoring, by the Board, of trading in the securities of the Company by all Investor Relations Service Providers.

### **6. Exercise of Options.**

Unless the Board specifically determines otherwise, the Options granted to an Optionee may be exercised by the Optionee, in whole or in part, from time to time at the Optionee's discretion.

Provided however, that all Options that have not been exercised by the Optionee shall cease to be exercisable and shall expire upon the earliest of:

- (a) the termination of employment, the termination of services or the services agreement in respect of a Consultant, or removal of the Optionee as a director or officer of the Company or its subsidiaries for cause;
- (b) ninety (90) days after the termination of employment, the termination of services or the services agreement in respect of a Consultant (except in the case of an Investor Relations Service Provider, in which case, the Options cease to be exercisable thirty (30) days after the termination of such services), or an Optionee ceasing to be an officer or director for reasons other than termination or removal for cause, unless the Optionee remains an Eligible Person;
- (c) the first anniversary of the death of the Optionee, by the heirs and administrators of an Optionee's estate; and
- (d) the tenth (10) anniversary of the date on which the Option was granted (subject to extension where the expiry date falls within a "blackout period"), pursuant to section 7; or,
- (e) such earlier date as the Board may deem appropriate in its sole discretion at the time the Option was granted.

The exercise of an Option will be contingent upon receipt by the Company of payment of the full exercise price of such Option. No Optionee or legal representative, legatee or distributee in respect of an Optionee shall be considered to be a holder of any Share subject to an Option, unless and until such Share has been fully paid for and issued upon the exercise of the Option. Except in the case of a "net exercise" (as hereinafter defined), the exercise price for the Options is only payable in cash, certified cheque or bank draft.

Subject to the provisions of this Stock Option Plan (including, without limitation, section 8) and Board approval, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) excluding Options granted to Investor Relations Service Providers, a “**net exercise**” procedure in which the Company issues to the Optionee, Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Shares; or
- (b) a broker assisted “**cashless exercise**” in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the aggregate exercise price for the number of Shares with respect to which the Option is being exercised, together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws, against delivery of the Shares to settle the applicable trade.

An Option may be exercised pursuant to this section 6 from time to time by delivery to the Company, at its head office or such other place as may be specified by the Company of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of the Option, the method of cashless exercise, and the number of Options to be exercised and (ii) payment of the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws, as verified by the Company to its satisfaction (or by entering into some other arrangement acceptable to the Company in its discretion). The Optionee shall comply with section 8 hereof with regard to any applicable Withholding Obligations (hereinafter defined) and with such other procedures and policies as the Company may prescribe or determine to be necessary or advisable from time to time, including the prior written consent of the Board in connection with such exercise.

#### **7. Blackout Periods.**

An Option will be automatically extended past the expiry date of an Option governed by the Stock Option Plan if such expiry date falls within a period (a “**blackout period**”) during which the Company prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

- (a) The blackout period must be formally imposed by the Company pursuant to its internal trading policies. For greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.
- (b) The blackout period must expire upon the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.
- (c) The automatic extension of an Optionee's Options will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under securities Laws) in respect of the Company's securities.
- (d) The automatic extension is available to all eligible Optionees under the Stock Option Plan on the same terms and conditions.

#### **8. Taxes.**

The Company may withhold from any amount payable to an Optionee, either under this Stock Option Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options (“**Withholding Obligations**”). The Company may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the Optionee to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations or (b) selling on the Optionee’s behalf, or requiring the Optionee to sell, any Shares acquired by the Optionee under the Stock Option Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

**9. Effect of Take-over Bid.**

If a bona fide take-over bid (as defined under applicable securities Laws) (the “Offer”) is made for Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Company that may be cast to elect Directors, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Common Shares subject to such Option will become fully vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares received upon such exercise, or in the case of clause (b) above, the Shares that are not taken up and paid for may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Shares were to become vested pursuant to his section shall be reinstated. If any Shares are returned to the Company under this section, the Company shall immediately refund the exercise price to the Optionee for such Shares.

**10. Legends.**

Certificates for Shares issued upon exercise of Options shall bear such legend as may be required by applicable law or any Stock Exchange on which the Shares are listed for trading.

**11. Changes to Shares.**

Notwithstanding any other provision of this Stock Option Plan, in the event of any change in the outstanding Shares of the Company by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other form of corporate reorganization whatsoever, an equitable adjustment shall be made to any Options then outstanding and the Exercise Price (or Prices) in respect of such Options. Such adjustments shall be made by the Board in its sole discretion and, subject to the prior acceptance of the Stock Exchange (except in relation to a share consolidation or split) and applicable law, shall be conclusive and binding for all purposes of the Stock Option Plan.

**12. Necessary Approvals.**

The grant of Options, the obligation of the Company to sell and deliver Shares on the exercise of Options, and any amendments to the Stock Option Plan or to the terms of an Option granted under this Stock Option Plan, shall be subject to any approvals required by applicable law or any Stock Exchanges on which the Shares are listed for trading being obtained.

**13. Administration of the Stock Option Plan.**

The Board may interpret the Stock Option Plan and make all other determinations that it considers in its sole discretion to be necessary or advisable for the administration of the Stock Option Plan. The Board may, in its sole discretion, prescribe, adopt, amend and rescind rules and regulations for carrying out and administering the Stock Option Plan. The interpretation and construction of any provision of the Stock Option Plan by the Board shall be final and conclusive. The administration of the Stock Option Plan shall be the responsibility of the appropriate officers of the Company duly designated for the purposes thereof by the Board and all costs in respect thereof shall be paid by the Company.

**14. Amendments to Stock Option Plan or Options.**

Subject to obtaining the consent of applicable securities regulatory authorities in those circumstances where such consent is required, and shareholder approval in those circumstances where such approval is required to be obtained by any regulatory authority, the Board may amend, modify or terminate the Stock Option Plan or an Option at any

time if and when it considers it to be advisable to do so in its sole discretion, except with respect to any Option then outstanding under the Stock Option Plan. No such amended Options may be exercised unless and until such approvals are given.

**15. Consent to Amend.**

The Board may amend any Option with the consent of the affected Optionee and the Stock Exchange, including any shareholder approval required by the Stock Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option or any extension to the term of an Option, if the Optionee is an Insider at the time of the proposed amendment.

**16. No Undertaking or Representation.**

The Company makes no undertaking or representation as to the future value or price, or as to the listing on any Stock Exchange, of any Shares issued in accordance with the Stock Option Plan.

**17. Assignability and Transferability.**

Options (and any rights thereunder) shall not be assignable or transferable otherwise than by will or pursuant to the laws of succession or descent and distribution, and, during the lifetime of an Optionee, shall only be exercisable by the Optionee.

**18. Compliance with Applicable Law.**

If any provision of the Stock Option Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or Stock Exchange having jurisdiction or authority over securities of the Company or the Stock Option Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**19. Enurement.**

The Stock Option Plan shall enure to the benefit of, and be binding upon, the Company and its subsidiaries and their respective successors and assigns. The Stock Option Plan shall enure to the benefit of, and be binding upon, an Optionee and the personal representative of a deceased Optionee.

**20. Governing Law and Interpretation.**

The Stock Option Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

## Appendix “B”

### Audit Committee Charter

#### 1. Mandate

The primary function of the audit committee (the “Committee”) 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. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. 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.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

#### 2. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors, pursuant to the policies of the TSX Venture Exchange.

All members of the Committee must be financially literate (having 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 the issues that can presumably be expected to be raised by the Company’s financial statements).

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 appointed 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 quorum for a meeting of the Committee is a majority of the Members.

#### 3. Meetings

The Committee shall meet as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

The minutes of Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in such capacity and the external auditor.

#### 4. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

##### 4.1 Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A and any financial information contained in a media release before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

**4.2 External Auditors**

- (a) Require the external auditors to report directly to the Committee.
- (b) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (c) Review annually the relationships between the external auditors and the Company, and the external auditor status as a participating audit firm as defined in National Instrument 52-108 *Auditor Oversight*.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (e) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
- (g) Review with management and the external auditors the terms of the external auditors' engagement letter.
- (h) Consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (j) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (k) 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 Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

**4.3 Financial Reporting Processes**

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

## Appendix B – Audit Committee Charter

- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors regarding financial reporting.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process.
- (i) Establish 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.

### 4.4 Other

Review any material related-party transactions.

### 5. Authority

The Committee may:

- (a) engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

The Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

## Appendix “C”

### Omnibus Incentive Plan

Graphite One Inc., a corporation organized under the laws of British Columbia, Canada (the “**Company**”), hereby establishes and adopts the following Omnibus Incentive Plan (the “**Omnibus Plan**”).

#### 1. PURPOSE OF THE OMNIBUS PLAN

##### 1.1 Purpose.

The purpose of the Omnibus Plan is to assist the Company and its Subsidiaries in attracting and retaining individuals to serve as employees, directors, consultants or advisors who are expected to contribute to the Company’s success and to achieve long-term objectives that will benefit the shareholders of the Company through the additional incentives inherent in the Awards hereunder.

##### 1.2 Participation in the Omnibus Plan.

- (a) The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of any Award, or transactions in the Shares or otherwise in respect of participation under the Omnibus Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Omnibus Plan. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (b) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Omnibus Plan. Unless otherwise determined by the Committee, this Omnibus Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Omnibus Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured creditor of the Company.
- (c) Unless otherwise determined by the Committee, the Company shall not offer financial assistance to any Participant in regard to the exercise of any Award granted under this Omnibus Plan.
- (d) For Awards to be granted to Employees, Directors or Consultants, the Company and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Director or Consultant, as the case may be.

#### 2. DEFINITIONS

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

- (a) “**Affiliate**” shall have the meaning ascribed to such term in NI 45-106.
- (b) “**Award**” shall mean any Restricted Share Unit Award, Restricted Share Award, Deferred Share Unit Award, Other Security-Based Award, Performance Award (including, for greater certainty, Awards of Performance Cash, Performance Shares or Performance Units) or any other right, interest or option relating to Shares or other property (including cash) granted pursuant to the provisions of the Omnibus Plan.
- (c) “**Award Agreement**” shall mean any agreement, contract, certificate or other instrument or document evidencing any Award hereunder, whether in writing or through an electronic medium, as amended.

- (d) **“Black-Out Period”** shall mean a period of time when pursuant to any policies of the Company (including the Company’s insider trading policy, if any), any securities of the Company may not be traded by certain Persons designated by the Company.
- (e) **“Board”** shall mean the board of directors of the Company.
- (f) **“Cause”** shall have the meaning set forth in the Award Agreement or other arrangement between a Participant and the Company, and if no such other definition shall exist, then “Cause” shall mean a Participant’s (i) repeated failure to satisfactorily perform his or her job duties, including but not limited to Participant’s refusal or failure to follow lawful and reasonable directions of the supervisor to whom Participant reports; (ii) commission of an act that materially injures the business of the Company or a Subsidiary; (iii) commission of an act constituting dishonesty, fraud, or immoral or disreputable conduct; (iv) conviction of a felony, or conviction of any crime involving moral turpitude; (v) engaging or in any manner participating in any activity which is directly competitive with or injurious to the Company or a Subsidiary, or which violates any material provisions of any written employment or similar agreement with the Company or a Subsidiary; (vi) use or intentional appropriation for Participant’s personal use or benefit of any funds, information or properties of the Company or a Subsidiary not authorized by the Company to be so used or appropriated; (vii) other conduct which may constitute cause for dismissal of employment pursuant to common law; (viii) in the case of a Participant who is a Director, failure to continue to meet the qualifications for acting as a director as set forth in the *Business Corporations Act* (British Columbia); (ix) removal as a Director by a resolution passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia); or (x) removal as a Director by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order. The determination that the termination is for Cause shall be made by the Board in its sole discretion. Notwithstanding the foregoing, neither this provision nor any other provision of the Omnibus Plan is intended to, and they shall not be interpreted in a manner that limits or restricts a Participant from exercising any legally protected whistleblower rights.
- (g) **“Change of Control”** shall have the meaning set out in Section 10.3.
- (h) **“Committee”** shall mean the Board or a subcommittee thereof formed by the Board to act as the Committee hereunder.
- (i) **“Consultant”** shall mean an individual or Consultant Company, other than an Employee or a Director, that:
  - i. is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a distribution of securities of the Company,
  - ii. provides the services under a written contract between the Company or any of its subsidiaries and the individual or a Consultant Company, and
  - iii. in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any of its subsidiaries.
- (j) **“Consultant Company”** shall mean, for an individual consultant, a company of which the individual consultant is an employee or shareholder.
- (k) **“Deferred Share Units”** means a right granted to a Participant by the Company as compensation for employment or consulting services or services as a Director, to receive, for no additional cash consideration, securities of the Company on a deferred basis (which is typically after the earliest of the retirement, termination of employment or death of the Participant), and the terms of which, all as set out in the applicable Award Agreement, may provide that, upon vesting, the award may be paid in cash and/or Shares of the Company.
- (l) **“Director”** shall mean a director of the Company or a Subsidiary of the Company.

- (m) “**Disinterested Shareholder Approval**” shall mean approval by a majority of the votes cast with respect to such approval by the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes required to be excluded in respect of the subject matter of such approval pursuant to applicable laws or Exchange Rules.
- (n) “**Dividend Equivalent**” shall have the meaning set out in Section 11.10.
- (o) “**Eligible Person**” shall mean a Person who is a Director, Employee or Consultant.
- (p) “**Employee**” shall mean:
  - i. an individual who is considered an employee of the Company or of its subsidiary under the Income Tax Act (Canada) or other applicable tax laws,
  - ii. an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company or such subsidiary over the details and methods of work, as an employee of the Company or such subsidiary, but for whom income tax deductions are not made at source, or
  - iii. an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or such subsidiary over the details and methods of work as an employee of the Company or such subsidiary, but for whom income tax deductions are not made at source.
- (q) “**Exchange**” shall mean the TSX Venture Exchange or, if the Shares are no longer listed for trading on the TSX Venture Exchange, such other primary exchange or quotation system on which the Shares are listed or quoted for trading.
- (r) “**Exchange Rules**” shall mean the rules and policies of the Exchange, as amended from time to time.
- (s) “**Fair Market Value**” shall mean, with respect to Shares as of any date, (i) the closing price of the Shares as reported on the Exchange on such date or, if there is no closing price on that date, then on the last preceding date on which such a closing price was reported; (ii) if the Shares are not listed on any Canadian or U.S. national securities exchange but are quoted in an inter-dealer quotation system on a last sale basis, the final sale price of the Shares reported on the inter-dealer quotation system for such date, or, if there is no such sale on such date, then on the last preceding date on which a sale was reported; or (iii) if the Shares are neither listed on a Canadian or U.S. national securities exchange nor quoted on an inter-dealer quotation system on a last sale basis, the amount determined by the Committee to be the fair market value of the Shares as determined by the Committee in its sole discretion. The Fair Market Value of any property other than Shares shall mean the market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.
- (t) “**Incumbent Board**” shall have the meaning set out in Section 10.3(a)(iv).
- (u) “**insider**” shall have the meaning ascribed to such term by the Exchange.
- (v) “**Investor Relations Service Provider**” shall have the meaning ascribed to such term by the Exchange.
- (w) “**ITA**” means the *Income Tax Act* (Canada) and any regulations thereunder as amended from time to time.
- (x) “**Management Company Employee**” shall mean an individual employed by a Person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company.
- (y) “**NI 45-106**” shall mean National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators, as the same may be amended or replaced from time to time.
- (z) “**Other Security-Based Awards**” shall have meaning set out in Section 7.1.

- (aa) **“Participant”** shall mean a bona fide Employee, Director or Consultant who is selected by the Committee to receive an Award under the Omnibus Plan.
- (bb) **“Performance Award”** shall mean any Award of Performance Cash, Performance Shares, or Performance Units granted pursuant to Article 8.
- (cc) **“Performance Cash”** shall mean any cash incentives granted pursuant to Article 8 payable to the Participant upon the achievement of such performance goals as the Committee shall establish, as set out in the applicable Award Agreement.
- (dd) **“Performance Period”** shall mean the period established by the Committee during which any performance goals specified by the Committee with respect to a Performance Award are to be measured, as set out in the applicable Award Agreement.
- (ee) **“Performance Share”** shall mean any grant pursuant to Article 8 of a unit valued by reference to a designated number of Shares, which value may be paid to the Participant upon achievement of such performance goals as the Committee shall establish, as set out in the applicable Award Agreement.
- (ff) **“Performance Unit”** shall mean any grant pursuant to Article 8 of a unit valued by reference to a designated amount of cash or property other than Shares, which value may be paid to the Participant upon achievement of such performance goals during the Performance Period as the Committee shall establish, as set out in the applicable Award Agreement.
- (gg) **“Permitted Assignee”** shall have the meaning set out in Section 11.4.
- (hh) **“Person”** shall mean any individual, firm, partnership, limited partnership, limited liability company or partnership, unlimited liability company, association, trust, trustee, executor, administrator, legal or personal representative, government, governmental body, entity or authority, group, body corporate, corporation, unincorporated organization or association or any other entity, whether or not having legal personality, and any of the foregoing in any derivative, representative or fiduciary capacity and pronouns have a similar extended meaning;
- (ii) **“Restricted Share”** means a Share issued pursuant to a Restricted Share Award or Restricted Share Unit Award.
- (jj) **“Restricted Share Award”** shall have the meaning set out in Section 6.1.
- (kk) **“Restricted Share Unit”** means a right granted to a Participant by the Company as compensation for employment or consulting services or services as a Director, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied (which are typically time based) and the terms of which, all as set out in the applicable Award Agreement, may provide that, upon vesting, the award may be paid in cash and/or Shares of the Company.
- (ll) **“Restricted Share Unit Award”** shall have the meaning set out in Section 6.1.
- (mm) **“SEC”** shall mean the Securities and Exchange Commission.
- (nn) **“Shares”** shall mean the common shares of the Company.
- (oo) **“Subsidiary”** shall mean any corporation which is a subsidiary, as such term is defined under applicable securities laws.
- (pp) **“Substitute Awards”** shall mean Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.
- (qq) **“Tax Act”** means the Income Tax Act (Canada) and its regulations thereunder, as amended from time to time.

- (rr) **“Termination Date”** means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be an Employee, Director or Consultant of the Company or a Subsidiary and (ii) in the event of the termination of the Participant’s employment, or position as Director or Consultant the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or a Subsidiary, as the case may be.
- (ss) **“U.S. Exchange Act”** shall mean the United States Securities Exchange Act of 1934, as amended.
- (tt) **“U.S. Participant”** means a Participant who is a resident of the United States and is otherwise subject to the U.S. Tax Code.
- (uu) **“U.S. Tax Code”** shall mean the Internal Revenue Code of 1986, as amended from time to time.
- (vv) **“Vesting Period”** shall mean the period of time specified by the Committee during which vesting restrictions for an Award are applicable, as set out in the applicable Award Agreement.

## 2.1 Interpretation.

- (a) Whenever the Committee is to exercise discretion or authority in the administration of the terms and conditions of this Omnibus Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Committee.
- (b) The provision of a table of contents, the division of this Omnibus Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Omnibus Plan.
- (c) In this Omnibus Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (d) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Omnibus Plan, respectively.
- (e) Unless otherwise specified in the Award Agreement, all references to money amounts are to Canadian currency.
- (f) For purposes of this Omnibus Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (g) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Omnibus Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## 3. SHARES SUBJECT TO THE PLAN

### 3.1 Number of Shares.

- (a) The maximum number of Shares which may be reserved for issuance under this Omnibus Plan at any time shall be 12,500,000 Shares, subject to adjustment as provided in Section 11.3. Additionally, the Company shall not, subject to applicable Exchange Rules:
  - i. grant Awards:
    - (A) to any one Person in any 12-month period which could, when exercised, result in the issuance of Shares to such Person exceeding 5% of the issued and outstanding Shares of the Company granted under the Omnibus Plan and the Company’s other security-based compensation plans, calculated as at the date of the grant, unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant;
    - (B) to any one Consultant in any 12-month period which could, when exercised, result in the issuance of Shares to such Consultant exceeding 2% of the issued and outstanding Shares

of the Company granted under the Omnibus Plan and the Company's other security-based compensation plans, calculated as at the date of the grant;

- (C) to Persons who are insiders which could, when exercised, result in the issuance of Shares to such Persons (as a group) exceeding 10% of the issued and outstanding Shares of the Company granted under the Omnibus Plan and the Company's other security-based compensation plans, at any point in time, unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or
  - (D) in any 12 month period, to Persons who are insiders which could, when exercised, result in the issuance of Shares to such Persons (as a group) exceeding 10% of the issued and outstanding Shares of the Company granted under the Omnibus Plan and the Company's other security-based compensation plans, calculated as at the date of grant, unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant.
- (b) The limitations set out in Section 3.1(a) only apply to Awards which can be settled in Shares and not Awards which may be settled in cash only.
  - (c) If any Award expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Award expires or is terminated shall be added back to the Omnibus Plan and again be available for future grant, whereas the number of Shares underlying any grant of Awards that are issued upon exercise shall not be available for future grants.
  - (d) Awards may not be granted unless and until the Awards have been allocated to specific Persons, and then, once allocated, a minimum Fair Market Value can be established.
  - (e) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total number of Shares reserved for issuance pursuant to the settlement of all Awards.
  - (f) Awards will not be issued under the Omnibus Plan to any Investor Relations Service Providers and Investor Relations Service Providers may not receive any compensation involving the issuance or potential issuance of Shares, other than stock options.

### 3.2 Character of Shares.

Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares purchased in the open market or otherwise.

## 4. ADMINISTRATION

### 4.1 Administration.

- (a) The Omnibus Plan shall be administered by the Committee. The Committee shall have full power and authority, subject to Exchange Rules and the provisions of the Omnibus Plan and subject to such orders or resolutions not inconsistent with Exchange Rules and the provisions of the Omnibus Plan as may from time to time be adopted by the Board, to:
  - i. select the Employees, Directors and Consultants to whom Awards may from time to time be granted hereunder;
  - ii. determine the type or types of Awards to be granted to each Participant hereunder;
  - iii. determine the number of Shares (or dollar value) to be covered by each Award granted hereunder;
  - iv. determine the terms and conditions, not inconsistent with the provisions of the Omnibus Plan, of any Award granted hereunder;
  - v. determine whether, to what extent and under what circumstances Awards may be settled in cash, Shares or other property;

- vi. determine whether, to what extent, and under what circumstances cash, Shares, other property and other amounts payable with respect to an Award made under the Omnibus Plan shall be deferred either automatically or at the election of the Participant;
  - vii. determine whether, to what extent and under what circumstances any Award shall be canceled or suspended, or vesting terms or other restrictions waived or accelerated, provided, however, that in no event shall an Award, or any portion of an Award, be granted with a Vesting Period that is less than one year following date of grant, and vesting may only be accelerated in instances where a Participant ceases to be an Eligible Person by reason of death or a Change of Control;
  - viii. interpret and administer the Omnibus Plan and any instrument or agreement entered into under or in connection with the Omnibus Plan, including any Award Agreement;
  - ix. correct any defect, supply any omission or reconcile any inconsistency in the Omnibus Plan or any Award in the manner and to the extent that the Committee shall deem desirable to carry it into effect;
  - x. establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Omnibus Plan;
  - xi. determine whether any Award will have Dividend Equivalents;
  - xii. amend the terms of any Award Agreement, subject to and in accordance with Section 11.2 and receipt of all requisite Exchange or shareholder approvals required in respect of any amendment under the terms of the Omnibus Plan or the Exchange Rules; and
  - xiii. make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Omnibus Plan.
- (b) Decisions of the Committee shall be final, conclusive and binding on all persons or entities, including the Company, any Participant, and any Subsidiary. A majority of the members of the Committee may determine its actions, including fixing the time and place of its meetings. Notwithstanding the foregoing, any action or determination by the Committee specifically affecting or relating to an Award to a Director shall require the prior approval of the full Board.
- (c) To the extent not inconsistent with applicable law or the Exchange Rules, the Committee may authorize one or more executive officers to do one or more of the following with respect to Employees who are not directors or executive officers of the Company (A) designate Employees to be recipients of Awards, (B) determine the number of Shares subject to such Awards to be received by such Employees and (C) cancel or suspend Awards to such Employees; provided that (x) any resolution of the Committee authorizing such officer(s) must specify the total number of Shares subject to Awards that such officer(s) may so award and (y) the Committee may not authorize any officer to designate himself or herself as the recipient of an Award.
- (d) Notwithstanding the foregoing, the Committee shall not have the discretion, power or authority to modify the terms or conditions of any Award that is intended to be exempt from the definition of “salary deferral arrangement” under subsection 248(1) of the ITA if the exercise of such discretion would cause the Award to cease to be exempt from such definition.

## 5. DEFERRED SHARE UNITS

### 5.1 Grants.

Awards of Deferred Share Units may be granted hereunder to Participants either alone or in addition to other Awards granted under the Omnibus Plan (a “**Deferred Share Unit Award**”), and such Deferred Share Unit Awards shall also be available as a form of payment of Performance Awards and other earned cash-based incentive compensation. The Committee has absolute discretion to determine whether any consideration (other than services) is to be received by the Company or any Subsidiary as a condition precedent to the grant of Deferred Share Units, subject to such minimum consideration as may be required by applicable law and the Exchange Rules. The Award Agreement shall

specify the Vesting Period for the Deferred Share Units, which in no event shall be less than one year following date of grant.

**5.2 Award Agreements.**

The terms of any Deferred Share Unit Award granted under the Omnibus Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the Omnibus Plan. The terms of Deferred Share Unit Awards need not be the same with respect to each Participant.

**5.3 Rights of Holders of Deferred Share Units.**

Unless otherwise provided in the Award Agreement, the Deferred Share Unit Award evidences the right for such Participant to receive an Award (or cash payment equal to the Fair Market Price of the Share) upon satisfaction of vesting conditions, retirement, termination or death. A Participant who holds a Deferred Share Unit Award shall only have those rights specifically provided for in the Award Agreement; provided, however, in no event shall the Participant have shareholder rights (including, without limitation, voting rights, any entitlement to dividends, or rights on liquidation) with respect to such Award until the actual underlying Shares are issued and registered to the Participant.

**6. RESTRICTED SHARE AND RESTRICTED SHARE UNITS**

**6.1 Grants.**

Awards of Restricted Shares and of Restricted Share Units may be granted hereunder to Participants either alone or in addition to other Awards granted under the Omnibus Plan (a “**Restricted Share Award**” or “**Restricted Share Unit Award**” respectively), and such Restricted Share Awards and Restricted Share Unit Awards shall also be available as a form of payment of Performance Awards and other earned cash-based incentive compensation. The Committee has absolute discretion to determine whether any consideration (other than services) is to be received by the Company or any Subsidiary as a condition precedent to the grant of Restricted Share or Restricted Share Units, subject to such minimum consideration as may be required by applicable law and the Exchange Rules. The Award Agreement shall specify the Vesting Period for the Restricted Share or Restricted Share Units, which in no event shall be less than one year following date of grant.

**6.2 Award Agreements.**

The terms of any Restricted Share Award or Restricted Share Unit Award granted under the Omnibus Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the Omnibus Plan. The terms of Restricted Share Awards and Restricted Share Unit Awards need not be the same with respect to each Participant.

**6.3 Rights of Holders of Restricted Share and Restricted Share Units.**

Unless otherwise provided in the Award Agreement, beginning on the date of grant of the Restricted Share Award and subject to execution of the Award Agreement, the Participant shall become a shareholder of the Company with respect to all Shares subject to the Award Agreement and shall have all of the rights of a shareholder, including the right to vote such Shares and the right to receive distributions made with respect to such Shares, except as otherwise provided in this Section. A Participant who holds a Restricted Share Unit Award shall only have those rights specifically provided for in the Award Agreement; provided, however, in no event shall the Participant have shareholder rights (including, without limitation, voting rights, any entitlement to dividends, or rights on liquidation) with respect to such Award until the actual underlying Shares are issued and registered to the Participant.

**6.4 Issuance of Shares.**

Any Restricted Share granted under the Omnibus Plan may be evidenced in such manner as the Board may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates, which certificate or certificates shall be held by the Company. Any such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the restrictions applicable to such Restricted Share.

## **7. OTHER SECURITY-BASED AWARDS**

### **7.1 Grants.**

Other Security-Based Awards of Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property ("**Other Security-Based Awards**"), may be granted hereunder to Participants either alone or in addition to other Awards granted under the Omnibus Plan, provided, however, that no Other Security Based Award may be granted unless such Other Security Based Award is defined in, and in compliance with, Exchange Policy 4.4 *Security Based Compensation* of the Exchange's Corporate Finance Manual. Other Security-Based Awards shall also be available as a form of payment of other Awards granted under the Omnibus Plan and other earned cash-based compensation.

### **7.2 Award Agreements.**

The terms of Other Security-Based Awards granted under the Omnibus Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the Omnibus Plan. The terms of such Awards need not be the same with respect to each Participant. Other Security-Based Awards may be subject to vesting restrictions during the Vesting Period as specified by the Committee.

### **7.3 Payment.**

Except as may be provided in an Award Agreement, Other Share- Based Awards may be paid in cash, Shares, other property, or any combination thereof, in the sole discretion of the Committee. Other Security-Based Awards may be paid in a lump sum or in installments or, in accordance with procedures established by the Committee, on a deferred basis subject, in the case of a U.S. Participant, to the requirements of Section 409A of the U.S. Tax Code.

### **7.4 Deferral of Director Fees; Other Director Awards.**

Directors may, if determined by the Board, receive Other Security-Based Awards in the form of Deferred Share Units (or any other Award, subject to the discretion of the Board) in lieu of all or a portion of their annual compensation, if any. In addition, if determined by the Board, Directors may elect to receive Other Security-Based Awards in the form of Deferred Share Units (or any other Award, subject to the discretion of the Board) in lieu of all or a portion of their annual and committee compensation, if any, and annual meeting fees, if any, provided that, in the case of a U.S. Participant, such election is made in accordance with the requirements of Section 409A of the U.S. Tax Code, as applicable. The Committee shall, in its absolute discretion, establish such rules and procedures as it deems appropriate for such elections and for payment in Deferred Share Units, or other Awards, as the case may be.

## **8. PERFORMANCE AWARDS**

### **8.1 Grants.**

Performance Awards, as determined by the Committee in its sole discretion, may be granted hereunder to Participants, for no consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Omnibus Plan. The performance goals for Performance Awards to be achieved for each Performance Period shall be conclusively determined by the Committee and may be based upon such criteria as determined by the Committee in its discretion.

### **8.2 Award Agreements.**

The terms of any Performance Award granted under the Omnibus Plan shall be set forth in an Award Agreement (or, if applicable, in a resolution duly adopted by the Committee) which shall contain provisions determined by the Committee and not inconsistent with the Omnibus Plan, including whether such Awards shall have Dividend Equivalents. The terms of Performance Awards need not be the same with respect to each Participant.

### **8.3 Terms and Conditions.**

The performance criteria to be achieved during any Performance Period and the length of the Performance Period shall be determined by the Committee upon the grant of each Performance Award. The amount of the Award to be distributed shall be conclusively determined by the Committee.

#### 8.4 Payment.

Except as provided in Article 9, as provided by the Committee or as may be provided in an Award Agreement, Performance Awards will be distributed only after the end of the relevant Performance Period. Performance Awards may be paid in cash, Shares, other property, or any combination thereof, in the sole discretion of the Committee. Performance Awards may be paid in a lump sum or in installments following the close of the Performance Period or, in accordance with procedures established by the Committee, on a deferred basis subject to, in the case of a U.S. Participant, the requirements of Section 409A of the U.S. Tax Code.

### 9. CEASING TO BE AN EMPLOYEE, DIRECTOR OR CONSULTANT

#### 9.1 General Provisions.

Subject to Section 10 and the terms of any applicable Award Agreement, or as otherwise determined by the Committee, upon a Participant ceasing to be an Eligible Person, then:

- (a) for Cause, any vested or unvested Award granted to such Participant shall terminate automatically and become void immediately;
- (b) as a result of his or her employment or service relationship with the Company or a Subsidiary being terminated without Cause (i) any unvested Award granted to such Participant shall terminate and become void immediately and (ii) any vested Award granted to such Participant may be exercised by such Participant or redeemed and settled by the Company. Unless otherwise determined by the Committee (to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the Shares trade where required, in its sole discretion), such Award shall only be exercisable or redeemable within 90 days after the Termination Date, after which the Award will expire;
- (c) as a result of his or her resignation from the Company or a Subsidiary, (i) each unvested Award granted to such Participant shall terminate and become void immediately upon resignation and (ii) each vested Award granted to such Participant will cease to be exercisable or redeemable 90 days following the Termination Date, after which the Award will expire;
- (d) by reason of retirement or permanent disability, (i) any unvested Award shall terminate and become void immediately, and (ii) any vested Award will cease to be exercisable or redeemable 90 days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Company or a Subsidiary by reason of permanent disability, after which the Award will expire;
- (e) by reason of death, any vested Award granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Award (the “**Vested Awards**”) on the date of such Participant’s death. Such Vested Awards shall only be exercisable or redeemable within twelve months after the Participant’s death or prior to the expiration of the original term of the Award whichever occurs earlier;
- (f) by reason of electing a voluntary leave of absence of more than twelve months, including maternity and paternity leaves, the Board may determine, at its sole discretion but subject to applicable laws, that such Participant’s participation in the Omnibus Plan shall be terminated, provided that all vested Awards granted to the Participant shall remain outstanding and in effect until the applicable exercise or redemption date, or an earlier date determined by the Board at its sole discretion.

#### 9.2 Discretion of the Committee.

Subject to the terms of this Omnibus Plan, and the approval of the Exchange and/or the shareholders of the Company (as applicable), the Committee may:

- (a) allow unvested Awards to be treated as vested Awards upon a Participant ceasing to be an Eligible Person by reason of death or a Change of Control;

- (b) provide that Awards with respect to certain classes, types or groups of Participants will have different forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
- (c) provide for the continuation of any Award for a period not exceeding 12 months, upon such terms and condition as determined by the Committee, in the event that a Participant ceases to be an Eligible Person; or
- (d) set out other terms for the exercise or termination of Awards in the event that a Participant ceases to be an Eligible Person.

## **10. CHANGE IN CONTROL PROVISIONS**

### **10.1 Impact of Change of Control.**

The following provisions will apply to Awards in the event of a Change of Control unless otherwise provided in an Award Agreement or any other written agreement between the Company or any Subsidiary and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Change of Control, then, notwithstanding any other provision of the Omnibus Plan, the Board will take one or more of the following actions with respect to Awards, contingent upon the closing or completion of the Change of Control:

- (a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Change of Control);
- (b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);
- (c) accelerate the vesting, subject to Exchange approval, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change of Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change of Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change of Control in accordance with the exercise procedures determined by the Board (in all cases with such acceleration of vesting and exercisability still contingent upon the closing or completion of the Change of Control as provided above, and with any such acceleration of vesting and/or exercise to be unwound if the Change of Control does not actually occur);
- (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;
- (e) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change of Control, in exchange for no consideration or such consideration, if any, as the Board, in its sole discretion, may consider appropriate; or
- (f) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change of Control, in exchange for a payment, in such form as may be determined by the Board, equal to the excess, if any, of (i), the per share amount (or value of property per share) payable to holders of common shares in connection with the Change of Control, over (ii) the per share exercise price under the applicable Award, multiplied by the number of Shares subject to the Award. For clarity, this payment may be \$0 if the amount per share (or value of property per share) payable to the holders of the Shares is equal to or less than the per share exercise price of the Award. In addition, any escrow, holdback, earnout or similar provisions in the definitive agreement for the Change of Control may apply to such payment to the holder of the Award to the same extent and in the same manner as such provisions apply to the holders of Shares.

The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants.

### 10.2 Appointment of Shareholder Representative.

As a condition to the receipt of an Award under this Omnibus Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Change of Control involving the Company, including, without limitation, a provision for the appointment of a shareholder representative that is authorized to act on the Participant's behalf with respect to any escrow or other contingent consideration.

### 10.3 Change of Control.

- (a) Unless otherwise provided in an Award Agreement, "**Change of Control**" means the occurrence of any one of the following events (provided, however, that any definition of Change of Control in an Award Agreement may not provide that a Change of Control will occur prior to consummation or effectiveness of a change in control of the Company and may not provide that a Change of Control will occur upon the announcement, commencement, shareholder approval or other potential occurrence of any event or transaction that, if completed, would result in a change in control of the Company):
- i. an acquisition by a Person, or one or more Persons acting jointly or in concert, of the beneficial ownership of securities of the Company resulting in such Person or Persons holding securities representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation, plan of arrangement, amalgamation or similar transaction. Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because the level of ownership held by a person, entity or group exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change of Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, a person, entity or group becomes the owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities owned by such person, entity or group over the designated percentage threshold, then a Change of Control shall be deemed to occur;
  - ii. there is consummated a merger, consolidation, plan of arrangement, amalgamation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation, plan of arrangement, amalgamation or similar transaction, the shareholders of the Company immediately prior thereto do not own, directly or indirectly, outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation, plan of arrangement, amalgamation or similar transaction or more than 50% of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation, plan of arrangement, amalgamation or similar transaction;
  - iii. there is consummated a sale or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an entity, more than 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale, lease, license or other disposition; or
  - iv. individuals who, on the effective date of the Omnibus Plan, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Omnibus Plan, be considered as a member of the Incumbent Board.

## **11. GENERALLY APPLICABLE PROVISIONS**

### **11.1 Approval Required for Omnibus Plan.**

Prior to its implementation by the Company, the Omnibus Plan is subject to approval by the Exchange and approval of the shareholders of the Company.

### **11.2 Amendment and Termination of the Omnibus Plan.**

- (a) Subject to approval by the Exchange, the Board may suspend or terminate the Omnibus Plan at any time, or from time to time amend or revise the terms of the Omnibus Plan or any granted Award without the consent of the Participants provided that such suspension, termination, amendment or revision shall:
  - i. not adversely alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Omnibus Plan;
  - ii. be in compliance with applicable law and Exchange Rules; and
  - iii. be subject to shareholder approval including Disinterested Shareholder Approval if applicable, where required by law or the Exchange Rules, provided that the Committee may, from time to time, and without approval of the shareholders of the Company make amendments to fix typographical errors and to clarify the existing provisions of the Omnibus Plan that do not have the effect of altering the scope, nature and intent of such provisions.
- (b) Notwithstanding Section 11.2(a), the Board shall be required to obtain shareholder approval or Disinterested Shareholder Approval, if required by the Exchange Rules, to make the following amendments:
  - i. the addition of additional categories of Eligible Persons;
  - ii. any increase to the maximum number of Shares issuable under the Omnibus Plan except in the event of an adjustment pursuant to Section 11.3;
  - iii. any amendment which extends the expiry date of any Award, with Disinterested Shareholder Approval being required if the Participant is an insider at the time of the proposed extension;
  - iv. any amendment which results in the reduction in the exercise price of an Award, with Disinterested Shareholder Approval being required if the Participant is an insider at the time of the proposed amendment;
  - v. any amendment resulting in a benefit to an insider, which shall require Disinterested Shareholder Approval;
  - vi. any amendment to the amendment provisions of the Omnibus Plan; or
  - vii. any other amendment required to be approved by shareholders, or requiring Disinterested Shareholder Approval, under applicable law or the Exchange Rules.

### **11.3 Adjustments.**

In the event of any merger, plan of arrangement, amalgamation, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Shares or the value thereof, subject to the prior acceptance of the Exchange (except in relation to a Share consolidation or split), such adjustments and other substitutions shall be made to the Omnibus Plan and to Awards in a manner the Committee deems equitable or appropriate taking into consideration the accounting and tax consequences, including such adjustments in the aggregate number, class and kind of securities that may be delivered under the Omnibus Plan and, in the aggregate or to any Participant, in the number, class, kind and exercise price of securities subject to outstanding Awards granted under the Omnibus Plan (including, if the Committee deems appropriate, the substitution of similar options to purchase the shares of, or other awards denominated in the shares of, another company); provided, however, that the number of Shares subject to any Award shall always be a whole number.

#### **11.4 Transferability of Awards.**

Except as specifically provided in an Award Agreement approved by the Committee, each Award granted under the Omnibus Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. Notwithstanding the foregoing, to the extent and under such terms and conditions as determined by the Committee, a Participant may assign or transfer an Award without consideration (each transferee thereof, a “**Permitted Assignee**”) (i) to a trust which the Participant is a beneficiary of; (ii) to a holding entity (as such term is defined in NI 45-106 of such Participant); or (iii) to an RRSP, RRIF or TFSA of such Participant; provided that such Permitted Assignee shall be bound by and subject to all of the terms and conditions of the Omnibus Plan and the Award Agreement relating to the transferred Award and shall execute an agreement satisfactory to the Company evidencing such obligations; and provided further that such Participant shall remain bound by the terms and conditions of the Omnibus Plan. The Company shall cooperate with any Permitted Assignee and the Company’s transfer agent in effectuating any such permitted transfer. No Award granted hereunder may be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

#### **11.5 Termination of Employment or Services.**

The date of termination of a Participant’s employment or services will be determined by the Committee, which determination will be final.

#### **11.6 Grant of Awards.**

Notwithstanding any express or implied term of this Omnibus Plan to the contrary, the granting of an Award pursuant to the Omnibus Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Omnibus Plan or in any Award granted under this Omnibus Plan shall interfere in any way with the rights of the Company or any of its Subsidiaries in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Omnibus Plan shall not constitute an element of damages in the event of termination of a Participant’s employment or service in any office or otherwise.

#### **11.7 Conformity to Omnibus Plan.**

In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Omnibus Plan, or purports to grant Awards on terms different from those set out in the Omnibus Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Omnibus Plan.

#### **11.8 Rights as a Shareholder.**

Subject to Section 6.3, neither the Participant nor such Participant’s personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant’s Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.

#### **11.9 Deferral.**

The Committee shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred.

#### **11.10 Dividend Equivalents.**

Subject to the provisions of the Omnibus Plan (including specifically, but not limited to, the limits prescribed by Section 3.1(a)(i) hereof) and any Award Agreement, the recipient of an Award may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, amounts equivalent to cash, stock or other property dividends on Shares (“**Dividend Equivalents**”) with respect to the number of Shares covered by the Award, as determined by the Committee, in its sole discretion. The Committee may provide that the Dividend Equivalents (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested or accumulated and

credited to a bookkeeping account, but in any event shall be subject to the same restrictions and risk of forfeiture as the underlying Award and shall not be paid unless and until the underlying Award is vested.

**11.11 Change in Time Commitment.**

In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Subsidiary is reduced (for example, and without limitation, if the Participant is an Employee and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

**12. MISCELLANEOUS**

**12.1 Award Agreements.**

Each Award Agreement shall either be (a) in writing in a form approved by the Committee and executed by the Company by an officer duly authorized to act on its behalf, or (b) an electronic notice in a form approved by the Committee and recorded by the Company (or its designee) in an electronic recordkeeping system used for the purpose of tracking one or more types of Awards as the Committee may provide; in each case and if required by the Committee, the Award Agreement shall be executed or otherwise electronically accepted by the recipient of the Award in such form and manner as the Committee may require. The Committee may authorize any officer of the Company to execute any or all Award Agreements on behalf of the Company. The Award Agreement shall set forth the material terms and conditions of the Award as established by the Committee consistent with the provisions of the Omnibus Plan.

**12.2 Tax Withholding.**

- (a) Notwithstanding any other provision of this Omnibus Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Omnibus Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Committee determines, including by (i) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 12.2 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, (ii) requiring that the Participant remit, at or before the exercise of such Award, payment in cash of an amount equal to such withholding obligation in respect of such exercise; or (iii) any other mechanism as may be required or determined by the Company as appropriate.
- (b) Notwithstanding Section 12.2(a), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

**12.3 Right of Discharge Reserved; Claims to Awards.**

Nothing in the Omnibus Plan nor the grant of an Award hereunder shall confer upon any Employee, Director or Consultant the right to continue in the employment or service of the Company or any Subsidiary or affect any right that the Company or any Subsidiary may have to terminate the employment or service of (or to demote or to exclude from future Awards under the Omnibus Plan) any such Employee, Director or Consultant at any time for any reason. The Company shall not be liable for the loss of existing or potential profit from an Award granted in the event of termination of an employment or other relationship. No Employee, Director or Consultant shall have any claim to be granted any Award under the Omnibus Plan, and there is no obligation for uniformity of treatment of Employees, Directors or Consultants under the Omnibus Plan.

**12.4 Substitute Awards.**

Notwithstanding any other provision of the Omnibus Plan, the terms of Substitute Awards may vary from the terms set forth in the Omnibus Plan to the extent the Committee deems appropriate to conform, in whole or in part, to the provisions of the awards in substitution for which they are granted.

**12.5 Clawback.**

Notwithstanding any other provisions in this Omnibus Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement or any policy adopted by the Company, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation stock exchange listing requirement or policy. Without limiting the generality of the foregoing, the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Omnibus Plan. In addition, the Committee may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or Exchange Rules, including any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Omnibus Plan, agrees to cooperate fully with the Committee, and to cause any and all Permitted Transferees of the Participant to cooperate fully with the Committee, to effectuate any forfeiture or disgorgement required hereunder. Neither the Committee nor the Company nor any other person, other than the Participant and his or her Permitted Transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her Permitted Transferees, if any, that may arise in connection with this Section 12.5.

**12.6 Securities Law Compliance.**

- (a) The Omnibus Plan (including any amendments to it), the terms of the grant of any Award under the Omnibus Plan, the grant of any Award and exercise of any Award, and the Company's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the Exchange Rules and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Omnibus Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (b) The Company shall have no obligation to issue any Shares pursuant to this Omnibus Plan unless upon official notice of issuance such Shares shall have been duly listed with the Exchange. Shares issued, sold or delivered to Participants under the Omnibus Plan may be subject to limitations on sale or resale under applicable securities laws.

**12.7 Nature of Payments.**

All Awards made pursuant to the Omnibus Plan are in consideration of services performed or to be performed for the Company or any Subsidiary, division or business unit of the Company or a Subsidiary. Any income or gain realized pursuant to Awards under the Omnibus Plan constitutes a special incentive payment to the Participant and shall not be taken into account, to the extent permissible under applicable law, as compensation for purposes of any of the employee benefit plans of the Company or any Subsidiary except as may be determined by the Committee or by the Board or board of directors of the applicable Subsidiary (or as may be required by the terms of such plan).

**12.8 Listing of Shares.**

So long as the Shares are listed on the Exchange, the Company must apply to the Exchange for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Omnibus Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on the Exchange.

**12.9 Other Plans.**

Nothing contained in the shall prevent the Board from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

**12.10 Severability.**

The invalidity or unenforceability of any provision of the Omnibus Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Omnibus Plan.

**12.11 Governing Law.**

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

**12.12 Effective Date of Omnibus Plan; Termination of Omnibus Plan.**

The Omnibus Plan shall be effective on the date of the approval of the Omnibus Plan by the holders of the shares entitled to vote at a duly constituted meeting of the shareholders of the Company. The Omnibus Plan shall be null and void and of no effect if the foregoing condition is not fulfilled and in such event each Award shall, notwithstanding any of the preceding provisions of the Omnibus Plan, be null and void and of no effect. Awards may be granted under the Omnibus Plan at any time and from time to time until the Omnibus Plan is terminated by the Board, on which date the Omnibus Plan will expire except as to Awards then outstanding under the Omnibus Plan. Such outstanding Awards shall remain in effect until they have been exercised or terminated, or have expired.

**12.13 No Restriction on Corporate Actions.**

The existence of any Awards shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, arrangement, combination, merger or consolidation involving the Company or to create, issue, redeem or repurchase any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

**12.14 Foreign Employees and Consultants.**

Awards may be granted to Participants who are foreign nationals or employed or providing services outside Canada, or both, on such terms and conditions different from those applicable to Awards to Employees or Consultants providing services in Canada as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligation with respect to tax equalization for Employees or Consultants on assignments outside their home country.

**12.15 No Obligation to Notify or Minimize Taxes; No Liability for Taxes.**

The Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising any Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Omnibus Plan, each Participant (i) agrees to not make any claim against the Company, or any of its officers, Directors, Employees, Affiliates, agents or advisors related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so.

**12.16 No Registration Rights; No Right to Settle in Cash.**

The Company has no obligation to register with any governmental body or organization (including, without limitation, the SEC) any of (a) the offer or issuance of any Award, (b) any Shares issuable upon the exercise of any Award, or (c) the sale of any Shares issued upon exercise of any Award, regardless of whether the Company in fact

undertakes to register any of the foregoing. In particular, in the event that any of (x) any offer or issuance of any Award, (y) any Shares issuable upon exercise of any Award, or (z) the sale of any Shares issued upon exercise of any Award are not registered with any governmental body or organization (including, without limitation, the SEC), the Company will not under any circumstance be required to settle its obligations, if any, under this Omnibus Plan in cash.

**12.17 Participant Information.**

Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer the Omnibus Plan. Each Participant acknowledges that information required by the Company in order to administer the Omnibus Plan may be disclosed to any custodian appointed in respect of the Omnibus Plan and other third parties including the Exchange, 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 Omnibus Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

**12.18 Indemnity.**

To the extent allowable pursuant to applicable law, each member of the Committee or of the Board and any person to whom the Committee has delegated any of its authority under the Omnibus Plan shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Omnibus Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided, that in relation to the subject matter of the proceeding the indemnitee acted honestly and in good faith with a view to the best interests of the Company or the Subsidiary, as applicable, and in the case of a proceeding other than a civil proceeding, the indemnitee had reasonable grounds for believing that his conduct in respect of which the proceeding was brought was lawful and, further provided, he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to applicable law or the Company's Articles, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

**12.19 Corporate Action Constituting Grant of Awards.**

Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Committee, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Committee or Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of Shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

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